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THE NORTHWEST FUR TRADE

1763-1800

By

WAYNE EDSON STEVENS

A.B., Knox College, 1913

A.M., University of Illinois, 1914

THESIS

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN HISTORY
IN THE GRADUATE SCHOOL OF THE UNIVERSITY
OF ILLINOIS, 1916

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TO MY FATHER AND MOTHER

PREFACE

Much has been written concerning the fur trade and yet there are few subjects connected with early American history which will better repay further investigation. Studies relating to local aspects of the matter have not been wanting and the picturesque activities of the fur traders themselves have been repeatedly described. There is still need, however, for a careful consideration of this stage of frontier development, particularly in its broader economic and diplomatic aspects. The study which is presented in the following pages, while it is confined mainly to the region of the Great Lakes and the upper Mississippi Valley and extends over but a limited period of time, represents an attempt in the direction which has been indicated.

The geographical limits chosen have determined themselves in large measure, but it is almost impossible to assign to any aspect of the fur trade definite chronological limits, for the industry has had practically a continuous history from the period of the earliest explorations until the present time. It is true, however, that the year 1763, which marked the fall of the French power in North America, ushered in a new era for the country drained by the Great Lakes and the upper Mississippi. French methods of dealing with the Indians persisted, and many of the old French traders themselves remained, but henceforth the business of the fur trade, in its larger aspects, was directed by British merchants. The period from 1763 until the close of the century, therefore, is significant in many ways. It was marked by the establishment of a British commercial organization in the region in question which came to possess many of the characteristics of a monopoly. It witnessed a military struggle, followed by a diplomatic contest for possession of the same region, in which fur trading interests had a considerable share. The ultimate establishment of British commercial supremacy left its impress on the history of the Northwest for many years to come.

In undertaking this investigation, the writer has endeavored to bring together the many scattered threads which are to be found in monographs and other works relating to the period, but new sources of information have also been sought out and utilized to the fullest extent possible. It so happened that the years from 1763 to 1774 had already been more adequately treated than those

which followed and in connection with the preparation of the introductory chapter, entitled "The Period of Transition," the writer wishes to acknowledge his indebtedness to those who have preceded him in this field. A rather full discussion of this early phase of the fur trade was felt to be necessary in order to secure unity of treatment and to render intelligible the story which is related in succeeding chapters.

The history of the rise of the British fur trade in the Great Lakes' region during the latter part of the eighteenth century sounds strangely familiar to one who knows something of the growth of big business in more recent years. It is the old story of relentless competition, demand for freedom from government interference or regulation, and pressure for special privilege through politics and diplomacy. A tendency toward consolidation and monopoly is also evident throughout. These aspects of the subject have been emphasized in the following pages, rather than the picturesque life of the wilderness trader, upon which attention has so often been centered.

The task of gathering material for the study has been a real pleasure, owing to the friendliness and courtesy with which the writer was received at the various institutions which he visited in the course of his quest. A very large amount of material was secured in the Public Archives of Canada at Ottawa and the writer feels himself particularly indebted to Dr. Arthur G. Doughty, the Dominion Archivist, and to Mrs. E. Arma Hughes-Jones, who was formerly in charge of the manuscript collection in that institution. The following persons were no less generous in making available the documentary material at their disposal: Dr. Aegidius Fauteux, of the Bibliothèque Saint-Sulpice, Montreal; Dr. Gerhard R. Lomer, of the Redpath Library, McGill University; Mr. George H. Locke, of the Toronto Public Reference Library; Mr. C. M. Burton, of Detroit, who assembled the valuable collection which bears his name; and Miss Louise Phelps Kellogg, of the State Historical Society of Wisconsin.

The manuscript has been read by Professors Solon J. Buck, of the University of Minnesota, and Theodore Calvin Pease, of the University of Illinois, and by Miss Marguerite Jenison, to whom the writer is grateful for valuable suggestions. He would also express his thanks to Professor Laurence M. Larson, who as head of the department of history at the University of Illinois has

coöperated in arranging for the publication of the study as a volume in the present series. In the exacting task of reading proof, the writer has been ably assisted by Professor William Randall Waterman, of Dartmouth College.

It would be impossible adequately to acknowledge the obligation which the author feels by reason of the assistance and encouragement received from Professor Evarts B. Greene and from Dr. Clarence W. Alvord, under whom he was privileged to be working during the time when the study was undertaken, while a graduate student at the University of Illinois. It was Dr. Alvord who first suggested the possibilities existing in the field which was chosen and the writer owes more than he can express to his friendly counsel and to the inspiration of his scholarship.

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CHAPTER I

THE PERIOD OF TRANSITION

The fur trade in North America began with the first contacts between European explorers and the Indians and has continued until today, while the geographical areas which have been exploited by the fur traders are practically coëxtensive with the continent itself. In his tireless search for skins and peltries, the white man has roamed the lands bordering the warm waters of the Gulf of Mexico and the frozen regions of the Arctic; he has covered the vast expanse stretching from the shores of New England to the distant Northwest Coast. No matter what particular section be chosen, trade with the Indians must of necessity constitute an important theme in the early chapters of its history. The era of the fur trader has usually been a transitory stage in the history of any region, beginning with the penetration of the wilderness by explorer and hunter, and disappearing before the onward march of the settler.¹ The fur trader's frontier may be likened to a wave or series of waves, radiating from original centers of colonization and spreading ultimately to the most distant recesses of the continent. Such an analogy must not be pressed too far, however, for the rate of advance has not been uniform and in some regions the trader's frontier has persisted much longer than in others. In the far north, where a rigorous climate has barred the settler's advance, the industry still flourishes and the lives and activities of the factors of the Hudson's Bay Company serve to milder regions as reminders of their own vanished past.

An adequate history of the fur trade in America remains to be written, and the complexity of its problems is such as almost to defy unified treatment. When such a history is written, it will be largely a story of conflicts—conflicts ranging from the rivalries of petty traders in the wilderness to military and diplomatic struggles for control of vast areas of the continent. In view of the inherent difficulties of the subject, the approach to a real understanding of the significance of the fur trade must be through the careful study of more or less distinct phases of its history. Owing to a combination of circumstances, the trade of the region drained

¹F. J. Turner, *The Frontier in American History*, pp. 12-15.

by the Great Lakes and the upper Mississippi is of peculiar interest and importance. Until its occupation by settlers, this area was particularly rich in valuable furs. A wonderful system of lakes and rivers afforded easy access to the region and attracted the traders of rival nations from a very early period. Strategically, the area was the key to the control of vast stretches of territory beyond, and was therefore a prize stubbornly fought for by rival powers, first France and England, and later, England and the United States. The early history of the Northwest,² in fact, is utterly incomprehensible without an understanding of the fur trade, which is so intimately bound up with the story of Indian relations, war, and international diplomacy.

The year 1763 was momentous in the history of the Northwest and the fur trade, for it marked the end of one great conflict and the beginning of another. Hitherto it had been a question as to whether France or England should dominate the region; now it became a struggle between traders and settlers from the southern English colonies, on the one hand, and the interests represented by British merchants operating from Canada, on the other. In course of time, this conflict of interests merged in the Revolutionary War, and in a modified form, the strife continued for more than a generation after its close. It was not until after the War of 1812 that the United States succeeded in throwing off England's control of the commerce of the Northwest and echoes of the old rivalry were heard for many years even after the Treaty of Ghent. If the outcome had depended solely upon success in the fur trade and skill in managing the Indians, the final victory would unquestionably have rested with Great Britain, for the British merchants were fur traders *par excellence*, and when compared with their operations, the efforts of their American rivals appear feeble in the extreme.

²The term "Northwest" has had different meanings at various times. During the period from 1763 to 1816, British merchants and traders applied it almost exclusively to the country lying beyond Lake Superior. For the purpose of this study it has not seemed desirable to employ it in this restricted sense, so unless otherwise indicated, the term may be understood to refer to the country lying northwest of the Ohio, and including the area drained by the Great Lakes and upper Mississippi, as well as the more remote regions which were penetrated by the traders operating from Michillimackinac. American practice, it may be said, affords ample justification for such a use of the term.

It was during the period from 1763 to 1796 that the foundations of British commercial supremacy in the Northwest were laid, and it will be the purpose of this study to describe the means by which this result was achieved. Upon the establishment of peace in 1763, problems of war were for a time supplanted by problems of administration, while British merchants and traders hastened to make good the prize which the fortune of war had delivered into their hands upon the conquest of Canada. The British, however, built upon the foundations which had been laid by their predecessors and former rivals, the French, and the development of the fur trade in the Northwest during the years immediately following 1763 can scarcely be understood without some knowledge of the general conditions which preceded the English conquest. Even at the risk of appearing to digress, an attempt will be made to sketch briefly the early history of the traffic and to indicate some of the rivalries which had arisen therefrom.

Trade with the Indians, as has already been said, went hand in hand with the early exploration and settlement of North America. Bartholomew Gosnold bartered with the savages on his voyage to the coast of New England in 1602; and in 1622 Captain John Smith reported that "from Cannada and New England within these six yeares hath come neare 20,000 Bever skins."³ The extension of the peltry trade westward took place as a matter of course as the fur bearing country along the coast became exhausted. Certain areas of international rivalry developed as English traders invaded foreign spheres of influence. Thus in the seventeenth century, New England traders entered into competition with the Dutch and French, but the obstacle presented by the former disappeared in 1664 with the conquest of New Netherland. In the Southwest, during the early part of the eighteenth century, there was a three-cornered competition between English, French, and Spanish traders, a rivalry which also involved political control of the region, and for long the issue remained in doubt.⁴ The con-

³C. H. McIlwain, Introduction to *Wraxall's Abridgment of the New York Indian Records, 1678-1751*, pp. xii, xiii. For an excellent account of the early New England fur trade, see Note A, p. xxviii.

⁴A. H. Buffinton, "New England and the Western Fur Trade, 1629-1675," in *Publications of the Colonial Society of Massachusetts*, Vol. XVIII, Transactions, 1915-1916, pp. 160-192; E. B. Greene, *Foundations of American Nationality*, p. 94, 315.

test between English and French traders upon the lakes and in the Ohio and Mississippi valleys persisted, and finally assumed the proportions of a struggle for control of the interior of the continent. As the English traders pushed westward, it was natural that those colonies enjoying advantages of geographical position should assume the lead. Owing to the fact that Pennsylvania and New York possessed easy access to the Ohio River and the Great Lakes, their commerce naturally grew, until they secured a virtual monopoly of the English trade in the regions mentioned. Albany, which controlled the route to the Northwest by way of Lake Ontario, was the great center of the New York fur trade during the colonial period, the industry at first being carried on largely by frontier settlers living in the Mohawk Valley. The early traders of Pennsylvania were for the most part frontiersmen who transported their goods to the Indian country by means of pack horses.⁵

Centralization, in theory at least, was the principle underlying the organization of the French fur trade, toward the destruction of which the English bent their chief energies for almost a century. In Canada, the industry was from the very first under the strict supervision of the government. Since it was the hope of those in authority to found a populous colony, efforts were made at the beginning to prevent Canadian traders from going into the interior. To this end, great fairs were established at Montreal and Three Rivers, in the expectation that the distant tribes, by bringing their furs thither to be sold, would thus make it unnecessary for the colonists to go into the Indian country themselves. The plan was a failure, however, because traders established themselves above Montreal, and intercepted the Indians as they descended the river, and purchased their furs. It was but a short time before the younger and more adventurous members of the community took to the woods in order to carry on the trade, and as this was contrary to the policy of the government, an effort was made to prevent a general exodus from the colony by granting a limited number of licenses for carrying on the commerce of the interior. In spite of government regulation there arose a large class of forest rangers, or *coureurs de bois*, who played a most im-

⁵McIlwain, *op. cit.*, p. xv, xvi; Sir William Johnson, "Report to the Lords of Trade, 1767," *New York Colonial Documents*, VII, 953.

portant part in the trade during the French régime as well as the years which followed.⁶ Along with the traders went the Jesuits, who established missions at remote places in the Great Lakes' country and labored to convert the savages to the Christian faith.⁷

A serious clash between the interests of the French and English was only a question of time. During the closing years of the seventeenth century, English traders were pushing into the region which had already been entered by their opponents, while the Hudson's Bay Company on the north loomed up as a powerful potential rival to the French. It was becoming apparent that if the latter desired to retain their hold, they must adopt vigorous measures. The result was that toward the end of the seventeenth century the French began the construction of a series of stockaded trading posts at strategic points in the interior in order to preserve the fur trade and the friendship of the Indians, upon which the former so vitally depended.⁸ A period of intense intercolonial rivalry ensued which did not end until the signing of the Treaty of Paris.

English traders were handicapped at the outset, since their rivals had obtained an earlier start and had penetrated the Northwest long before them. The French had made the most of this advantage by gaining the friendship of the Indians, a task in which they were greatly assisted by the influence which their countrymen, the Jesuit missionaries, exercised over the tribes which they visited.⁹ The character and temperament of the French traders were such that they readily adapted themselves to the manners and customs of the tribes to which they resorted, while the English, on the other hand, often bore the reputation of lawless persons who cheated the savages and were guilty of all sorts of abuses, the inevitable consequence of which was to cause themselves to be cordial-

⁶F. Parkman, *The Old Régime in Canada*, (Frontenac edition, Boston, 1907) II, 102-105, 109-112; C. W. Alvord, *The Illinois Country*, (Centennial History of Illinois, I), p. 72.

⁷Johnson, *op. cit.*, p. 954.

⁸F. J. Turner, "The Indian Trade of Wisconsin," in *Johns Hopkins University Studies in Historical and Political Science*, (9th series), XI-XII, 33. The Hudson's Bay Company was founded in 1670, and Thomas Dongan, while governor of New York, endeavored to extend British trade into the Great Lakes' region. See also McIlwain, *op. cit.*, pp. lxi-lxiv.

⁹C. E. Carter, *Great Britain and the Illinois Country*, p. 78; Johnson, *op. cit.*, p. 954.

ly disliked. The French also possessed the inestimable advantage of centralized control of trade and Indian affairs, while the English were handicapped by the inefficiency of a system in which the management of trade was left to the individual colonies. The French government took great pains to conciliate the Indians, and in case a trader was guilty of abuses, took care that at least a pretence of punishment was made.¹⁰ The French trade, on the other hand, was cursed by a mischievous system, saddled upon it by a paternalistic government, which granted special privileges and established monopolies for the export of beaver skins from Canada, compelling those who "enjoyed" this exclusive privilege to take all the skins offered them at a certain fixed sum, in utter defiance of the laws of supply and demand.¹¹

The English, however, enjoyed one very marked advantage over their rivals. With the exception of powder, their goods were much cheaper than those imported by the French, and this accounts for the very considerable trade which English merchants came to enjoy and also explains how it was that, in spite of many handicaps, they were able to threaten the supremacy of their rivals in the Great Lakes' region. The chief menace to French commerce was the traffic carried on by way of Albany and the Mohawk. The colony of New York, it is true, sent very few traders into the interior, but dealt with the western tribes through the Iroquois, who controlled the route from the Hudson River to the lakes and occupied the position of middlemen between the English and the more remote Indians. The cheapness of English goods

¹⁰McIlwain, *op. cit.*, p. xl; Carter, *op. cit.*, p. 78, 85, 86; C. W. Alvord, *The Mississippi Valley in British Politics*, I, 296. Mr. Alvord's work includes the most comprehensive treatment of Indian affairs and trade in British North America during the period from 1763 to 1774 that has yet been made, and the writer is indebted to this study for a large amount of the material of the present chapter. See also Johnson, *op. cit.*, p. 954.

¹¹Parkman, *op. cit.*, pp. 105-109. These pages contain a vivid description of the French system of monopolies. This plan, whereby the holder of the monopoly was obliged to receive all beaver offered at a certain price, led to the enormous extension of the fur industry, inasmuch as the traders were assured of a market for all the skins which they were able to secure from the Indians. At times the market was so glutted with this variety of peltry that there was no sale for it in France, and the directors of the company holding the monopoly for its exportation resorted to the expedient of burning a large part of the supply which they received.

enabled the Iroquois to carry on a trade profitable to everyone concerned, with the exception of the French.¹² In 1724, the colony of New York established a post at Oswego, which effectually controlled the Mohawk communication leading to the upper country, and which was a continual menace to the French traders to the north. So great an advantage, in fact, did the cheaper English goods possess, that the French themselves succeeded in opening up illicit commercial intercourse with New York which all efforts failed wholly to suppress. Their merchants were actually able to buy English goods, carry them to Canada, and exchange them for furs, and still reap a larger profit than if they had used merchandise of their own manufacture, while the unscrupulous Albany traders continued to supply them, in spite of the protests of the Iroquois and the efforts of the colonial government of New York.¹³

While the New York merchants were challenging French commercial supremacy on the Great Lakes, traders from Pennsylvania and Virginia were penetrating the Ohio Valley and the region to the south of the lakes. Henri de Tonti, La Salle's lieutenant in the Illinois country, had reported as early as the last decade of the seventeenth century, that traders from the southern colonies had been found on the lower Ohio, having come by way of the Cumberland and Tennessee rivers.¹⁴ As years went on, these intruders grew in numbers and became an ever-increasing menace to French trade and prestige.

De Noyan, commandant at Detroit, wrote in 1741, complaining loudly of the growing influence of the English over the Indians, and declaring his intention of pillaging their traders whenever an opportunity presented itself.¹⁵ It is in this commercial rivalry that the origins of the Seven Years' War are to be found and the increasing bitterness was greatly intensified toward the middle of the century by the establishment of an English trading post at Pickawillany, on the Big Miami River. A force of

¹²McIlwain, *op. cit.*, pp. xli-xlv.

¹³Governor Burnet was responsible for the establishment of Oswego, for the purpose of extending the Indian trade. The fact that the Iroquois monopolized the trade between the English and the western tribes explains why New York built no forts west of Oswego. *Ibid.*, pp. xlv, lii, lxiv-lxxxi; Johnson, *op. cit.*, p. 954, 955.

¹⁴Alvord, *The Illinois Country*, p. 101.

¹⁵McIlwain, *op. cit.*, p. xvi.

French and Indians reduced the post in 1752 and the event was a portent of approaching hostilities.¹⁶ Meanwhile, in 1713, the Treaty of Utrecht had delivered the Hudson Bay country into English hands and had stipulated for the withdrawal of any French posts in that territory. Thus the French merchants in Canada during the first half of the eighteenth century felt themselves being hemmed in on all sides by their rivals.

The year 1754 witnessed the outbreak of hostilities at the forks of the Ohio and in the following year occurred Braddock's defeat, although the Seven Years' War did not formally begin until 1756. The main outlines of the struggle are well known. It was not in the Indian country, however, but in the heart of Canada that the French cause was lost. The reduction of Quebec in 1759 and the capitulation of Montreal in the following year delivered the province into the hands of the English, together with the fur trade for which both sides had been contending for so many years. It was indeed a rich prize which had fallen to the victors, as the character of the French commercial establishment in the upper country¹⁷ at the time of the conquest bears ample witness. The posts surrendered by the French controlled an enormous extent of territory, and besides those in the neighborhood of the Great Lakes, their establishments extended down into the Illinois country and hundreds of leagues into the region beyond Lake Superior. During the years immediately preceding the conquest, the trade of these places had been exploited in different ways. There were first of all the free posts, of which the principal ones were Michillimackinac and Detroit, where anyone might carry on trade by obtaining a license for the purpose. At certain others, as Niagara, Presqu' Isle, and Toronto, the King retained an exclusive right to the trade; and finally, there were posts which were farmed out to individuals for a fixed sum, among which were Ouiatanon, Chequamegon, La Baye,¹⁸ and St. Joseph.¹⁹ It was

¹⁶G. Chalmers, *Revolt of the American Colonies*, II, 263.

¹⁷The inhabitants of Canada usually referred to the region of the Great Lakes as the "Upper Country."

¹⁸Throughout the present study, the name "La Baye" is used to designate the trading post situated upon the body of water now called Green Bay.

¹⁹General Gage's letter to Amherst, dated March 20, 1762, contains an interesting account of the state of the Indian trade at the time of the reduction of Canada. *Michigan Pioneer and Historical Collections*, XIX, 14. To this

estimated that the average annual value of the trade for the years preceding the conquest was no less than £140,000 sterling.²⁰

The capitulation of Montreal on September 8, 1760, completed the military conquest of Canada. Immediately following the overthrow of French dominion in North America, there was a rush of British traders to the Indian country, which rendered it imperative that measures be taken to determine the future status of the commerce of the upper country. General Gage disapproved of the French practice of exploiting the posts by the granting of monopolies, and upon the occupation of Canada, the whole system of special privileges built up by the French was done away with. He believed that a better method of deriving a revenue from the fur trade would be to levy a duty upon the importation of peltry into England.²¹ The political change, together with the invasion of British traders which followed the conquest of Canada, naturally resulted in considerable confusion and as the commercial control formerly exercised by the French was fast disappearing, it was imperative that measures should be taken to establish peace and order in the Indian country. Effort was made to restrict the activities of the traders to certain posts and to limit the sale of rum, while Sir William Johnson, during a visit to Detroit in the summer of 1761, established a scale of prices at which furs and Indian goods were to be bought and sold, the purpose of which was to ensure fair dealing and prevent disorder.²²

The hopes and expectations of the British merchants were momentarily cut short by the terrible Indian outbreak known to history as the Conspiracy of Pontiac. Numerous causes contributed to the revolt, chief among which was a fear on the part of the Indians that the English settlers were about to occupy their

letter is appended a list of the posts at which the French were accustomed to trade with the Indians. *Ibid.*, p. 21. See also "Bougainville's Memoir," compiled in 1757, in *Wisconsin Historical Collections*, XVIII, 167.

²⁰Estimate contained in General Murray's Report on the State of the Government of Quebec, June 5, 1762, in A. Shortt and A. G. Doughty, *Documents Relating to the Constitutional History of Canada, 1759-1791*, (revised edition), p. 76.

²¹Gage to Amherst, March 20, 1762, *Michigan Pioneer and Historical Collections*, XIX, 17. Gage recommended that the smaller posts be abolished and that the trade be confined to Kaministiquia, Michillimackinac, La Baye, Detroit, and Ouatanon.

²²Johnson, *op. cit.*, p. 960.

lands, a belief which it is very possible the French did all in their power to encourage. The policy of the British government with regard to the giving of presents to the Indians was less generous than that of the French and likewise caused widespread dissatisfaction. In addition to these reasons, the conduct of the British traders was a contributing cause to the outbreak. They had never been so diplomatic in their dealings with the Indians as the French had been. They made the savages drunk and then proceeded to rob them, while one of the specific reasons given by the Indians for the outbreak was the exorbitant prices charged by British traders for their goods, especially powder. When it is recalled that in addition to these grievances, the woods were filled with French traders who bitterly hated the English and did everything in their power to instill their own fear and dislike into the minds of the Indians, it is not surprising that the tribes in the Great Lakes' region broke out in revolt.²³

The immediate effect of the uprising upon the commerce of the upper country was disastrous. The traders at Michillimackinac and other smaller posts in the interior were plundered and murdered, while a similar fate befell large numbers who were scattered along the communications.²⁴ The Royal Proclamation of October 7, 1763 was intended to allay the fears of the Indians by prohibiting settlers from encroaching on their great western domain but its promulgation was too late to prevent hostilities. Among other provisions, the Proclamation contained the first announcement of the general policy to be followed by the British government with respect to the fur trade. It was stipulated that commerce with the Indians should be free and open to all of his Majesty's subjects who should take out licenses from the governors or commanders-in-chief of the provinces wherein they resided and give security for the observance of such rules as might be prescribed for the regulation of the trade.²⁵

²³Johnson to Amherst, July 11, 1763, *New York Colonial Documents*, VII, 532; Johnson, *op. cit.*, p. 962, 963; F. Parkman, *Conspiracy of Pontiac*, (Frontenac edition), pp. 179-186.

²⁴For a vivid account of the Indian uprising at Michillimackinac, see Alexander Henry, *Travels and Adventures in Canada and the Indian Territories between the Years 1760 and 1776*, (ed. Bain), pp. 77-104.

²⁵Shortt and Doughty, *op. cit.*, p. 168.

The Conspiracy of Pontiac was suppressed in 1764, but meanwhile the British ministry had come to realize the necessity for adopting effective measures for the regulation of Indian affairs and trade. The Proclamation of 1763, it will be noted, did not prescribe any rules for the regulation of the fur trade but simply announced the general policy which it was planned to follow in the future, while the ministry had as yet done nothing to interfere with the laws enacted by the colonies during the preceding years. At the time of the conquest of Canada, the Indian trade was subject to the regulation of the individual English colonies and licenses were issued by the various provincial governors. It is true that in 1756, two departments had been created for the supervision of Indian affairs, designated respectively the "Northern" and "Southern," with the former in charge of Sir William Johnson as superintendent, while the latter was placed under the direction of John Stuart.²⁶ The superintendents were powerless to correct the abuses of the fur trade, however, owing to a lack of any real authority, which remained with the provinces.

The entire question of the regulation of Indian affairs and the control of the fur trade came before the British ministry in 1764, and in the summer of that year, the Lords of Trade formulated a "Plan for the Future Management of Indian Affairs."²⁷ This plan provided for the imperialization of the control of Indian affairs by the establishment of two departments, each including certain designated tribes. A superintendent was placed over each department, under whom deputies were to be appointed to assist in the administration of business. All existing colonial laws respecting trade and intercourse with the savages were to be repealed, and it was provided that in the northern district, commerce should be confined to the posts, where it could be carried on under the inspection of the department. Schedules of prices were to be established by officers known as commissaries acting in concert with the Indians and merchants at the various posts and truck houses. Traders were to obtain licenses from the colonial authorities and give security for the observance of the rules laid down for the regulation of commerce. Moreover, no one was to acquire lands save within limits determined by negotiation with the

²⁶C. W. Alvord, *The Mississippi Valley in British Politics*, I, 119.

²⁷For the text of the plan, see C. W. Alvord and C. E. Carter, *The*

Indians. This plan was never carried into effect by act of Parliament. The system would have necessitated very heavy expenditures, which it was proposed to meet by levying a tax upon the fur trade, but the ministry did not feel in a position to enact such a measure at the time when the plan was formulated. Though the project was never legally put into operation, the two superintendents of Indian affairs were instructed to carry it out so far as possible in the administration of their respective departments. John Stuart, of the southern department, at once took steps to put its provisions into operation, but Johnson did not do so until 1766, when news came from the Illinois country that foreigners were monopolizing the fur trade of the region.²⁸ Thus early there is evidence of the groping and indecisive policy which characterized the efforts of the English government to regulate and systematize the Indian trade.

During the confusion which attended the Conspiracy of Pontiac the commerce of the upper country had practically ceased, but after the uprising had been suppressed, there was a second invasion of the Great Lakes' region by British merchants.²⁹ Many Scotch and Irish came to Canada, lured by visions of the large profits which they believed were to be obtained in the fur trade, and for a time worked side by side with French merchants who remained after the conquest.³⁰ Since the newcomers were at first

Critical Period, 1763-1765, (Illinois Historical Collections, X), p. 273.

²⁸Alvord, *op. cit.*, I, 289, 290; Carter, *op. cit.*, p. 81; Alvord and Carter, *op. cit.*, 273, note 2.

²⁹Many of the Indians who had formerly depended upon French traders for their supplies had been reduced almost to destitution by the disturbances which had been going on for the past decade. Alexander Henry, writing of a voyage to Chequamegon in 1765 says: "These people were almost naked, their trade having been interrupted, first by the English invasion of Canada, and next by Pontiac's war." *Travels . . . between the years, 1760 and 1776*, p. 188.

³⁰Interesting information concerning the origin of some of the early British merchants is to be found in Robert Campbell, *A History of the Scotch Presbyterian Church, St. Gabriel Street, Montreal*, pp. 22, 85, 92-97. Some of them were officers and men of British regiments which were disbanded in Canada following the conquest. Of the merchants who played an important part in the Canadian fur trade, Isaac Todd, Forrest Oakes, Richard Dobie, James Finlay, and Benjamin Frobisher were all in the field by 1766. Memorial of Merchants of Montreal, March 30, 1766, *Canadian Archives, Department of Indian Affairs*; Merchants to Carleton, September 20, 1766, *Canadian Archives, series Q, IV*,

ignorant of the methods employed in dealing with the Indians, they were obliged to make use of French and English traders who acted as their agents in the interior, many of whom, according to Sir William Johnson, were of extremely disreputable character. The British merchants, however, were men of great enterprise and ability and they began gradually to crowd out the French traders who had been their predecessors in the field.

The British government had expected to derive great benefits from the trade in the Illinois country, but it was doomed to disappointment. The Conspiracy of Pontiac delayed the occupation of Fort de Chartres on the Mississippi by British troops until 1765. Meanwhile, French traders continued to carry on the commerce of the region and incidentally to strengthen themselves in the friendship of the Indians. In 1764, Pierre Laclede established a post in Spanish territory which he called St. Louis, which was to serve as a base for future trading operations.³¹ As soon as the Illinois country had been occupied, Pennsylvania merchants entered the region, two of the principal firms which extended their operations westward being Baynton, Wharton, and Morgan, and Franks and Company of Philadelphia. The former concern went into the business on an extensive scale, claiming to have invested £30,000 in the enterprise, while in 1767 it was asserted that there were more than three hundred boatmen on the Ohio in the employ of the company.³² But in spite of the efforts of the Pennsylvania merchants, the French and Spaniards continued to send their canoes and boats into all the eastern tributaries of the Mississippi, where they met with a friendly reception from the tribes of the Northwest which were by no means well disposed toward their new masters. These foreign, trans-Mississippi traders enjoyed a great advantage over their English rivals since the latter were prohibited by royal command, and their fear of the Indians, from extending their operations beyond the garrisoned posts. Operating from St. Louis as a base, the French traders ascended the Ohio, Wabash, and Illinois rivers, crossed the upper Mississippi into British

200. A study of the names contained in the trade licenses of the period indicates that many French merchants remained after the conquest, though the trade was gradually absorbed by their British rivals.

³¹Carter, *op. cit.*, pp. 82, 84-88; Alvord and Carter, *op. cit.*, pp. xxix-lvii.

³²Carter, *op. cit.*, p. 82, 83.

territory, and even pushed their commerce to the Great Lakes themselves, so that the peltry from which the British had expected to reap a handsome profit was sent down the Mississippi to market at New Orleans.³³ Great Britain likewise failed to profit by the trade in which her own merchants were engaged. The current of the Ohio River was so rapid that it was much easier and cheaper to ship furs to New Orleans than to the Atlantic seaboard, and this became the regular practice of the Philadelphia firms. While they floated their furs down the river under pretense of sending them to the English market by way of New Orleans, very few cargoes, as a matter of fact, found their way to England. The high prices offered in the Spanish market at New Orleans proved irresistible, and British merchants took occasion to profit by the contraband trade. Various proposals were brought forward from time to time in order to prevent this illicit traffic and keep foreign traders out of the Illinois country but without much success. British officials themselves, in view of the economic conditions which prevailed, seem to have been convinced that it was almost hopeless to try to alter the situation, and furs continued to be shipped to foreign markets by way of the Mississippi and New Orleans.³⁴

It was not until 1766 that Sir William Johnson organized the northern department in accordance with the plan formulated by the Lords of Trade in 1764, after news had arrived from the Illinois that commerce in that region was being monopolized by the French. Places of trade were established at Niagara, Detroit, Oswego, Michillimackinac, and Fort de Chartres, at each of which commerce was placed under the supervision of commissaries.

³³Alvord, *op. cit.*, I, 301-303; Johnson to the Lords of Trade, November 16, 1765, *New York Colonial Documents*, VII, 775; (same to same), March 22, 1766, *ibid.*, p. 816; "Journal of George Croghan's Transactions with the Western Indians," November, 1765, *ibid.*, p. 788; Johnson's Report, 1767, *ibid.*, p. 965.

³⁴Carter, *op. cit.*, pp. 90-100. In 1771, for example, the Lords of the Treasury endeavored to trace the British ship, "Florida Packet," which cleared from the Illinois in July of the preceding year with a cargo of 1000 packs of peltry. The investigation led to the conclusion that the cargo had been disposed of at some of the French West India Islands. Hillsborough to Lords of Treasury, January 18, 1771, *Public Record Office, London, Treasury Papers*, I, 482, fo. 109; Stanley to Robinson, March 14, 1771, *ibid.*, p. 486, fos. 55, 56; (same to same), May 31, 1771, *ibid.*, p. 486, fo. 69; Treasury Minutes, July 23, 1771, *Public Record Office, London, Treasury Papers* 29, XLI, 244-246; August 14, 1771, *ibid.*, p. 255, 256.

Minute regulations were drawn up, the purpose of which was to control the actions of the traders in their dealings with the Indians and correct the abuses concerning which complaint had so often been made.³⁵ The commissaries were given strict orders to allow no trader to open his packs and sell goods to the Indians save at the designated posts, a measure which aroused opposition on the part of the Canadian merchants. The traders of New York and Pennsylvania did not particularly object to the last mentioned regulation, as it served to offset to a certain degree the advantages possessed by their rivals; but they did not favor the idea of having prices regulated through the agency of the commissaries, which was one of the provisions embodied in the plan of the Lords of Trade.³⁶ It was the restriction of commerce to the posts, however, which caused most trouble and dispute. As early as February of 1765, the merchants of Montreal addressed a memorial to Governor Murray, in which they complained of the regulation.³⁷ This restriction involved a very marked departure from the custom which had been followed during the French régime, and it was not unnatural that the Canadian merchants should raise vigorous objections.³⁸ They complained that such restraint rendered it impossible to give credit to the Indians and therefore greatly hampered the trade of the merchants at the posts. Such a system, moreover, was likely to cause dissatisfaction on the part of the distant tribes which were obliged to make long journeys to the trade centers with their peltry. Some of them, it was claimed, lived so far away that if the regulation were rigidly enforced, they would be obliged to lose every other year's hunt by reason of the time required to reach the posts. But one of the strongest objections put forward, especially by the merchants of Detroit, was to the effect that the restriction of commerce to the posts was in reality delivering the trade of the region south of the Great Lakes into the hands of their French and Spanish rivals from beyond the Missis-

³⁵Johnson's Instructions, *Johnson Manuscripts*, XV, 237.

³⁶Alvord, *op. cit.*, I, 290, 291.

³⁷Petition of Merchants of Montreal, February 20, 1765, *Canadian Archives, Department of Indian Affairs*. It seems probable that this restriction was imposed in accordance with the recommendations contained in the plan of the Lords of Trade.

³⁸Johnson to Lords of Trade, October 8, 1766, *New York Colonial Documents*, VII, 871.

issippi. This argument was used over and over again by those who were in favor of allowing the traders to go out into the Indian country and it unquestionably had considerable foundation.³⁹

It was the old struggle between the principles of *laissez faire* and governmental regulation. Sir William Johnson bitterly opposed the representations of the merchants who clamored to be allowed to go into the interior. He was, above all, suspicious of the influence of French traders over the Indians and since many of them were employed by British merchants as factors or agents, he declared that considerations of safety rendered it necessary that they be confined to the posts in order to prevent their political intrigues. Another reason for restricting the trade to certain places was to prevent the abuses of which the merchants were guilty when their conduct was not subject to rigid inspection. If left to themselves in the Indian country, far from the watchful eyes of the commissaries, they were only too prone to cheat the savages and thus become a source of endless trouble and confusion. The eagerness of the Canadian merchants for unrestricted trade he ascribed, and probably justly, to jealousy of their rivals from New York and Pennsylvania.⁴⁰

Governor Carleton of Quebec, on the other hand, was inclined to support the Canadian merchants in their opposition to Johnson's policy.⁴¹ To the complaints of the latter with regard to the French

³⁹Memorial of Merchants of Montreal, March 30, 1766, *Canadian Archives, Department of Indian Affairs*; Merchants of Montreal to Carleton, September 20, 1766, *Canadian Archives, series Q*, IV, 200; Memorial of Detroit Traders to Hay, September 4, 1767, *Johnson Manuscripts*, XV, 57; Memorial of Detroit Traders to Johnson, November 26, 1767, *ibid.*, p. 157.

⁴⁰Johnson to Lords of Trade, October 8, 1766, *New York Colonial Documents*, VII, 871; (same to same), January 15, 1767, *ibid.*, p. 894; Johnson to Carleton, January 27, 1767, *Canadian Archives, series Q*, IV, 115; Johnson to Shelburne, May 30, 1767, *New York Colonial Documents*, VII, 929; (same to same), October, 1767, *ibid.*, p. 986; Johnson to Lords of Trade, October 20, 1767, *ibid.*, p. 987; Johnson to Shelburne, December 3, 1767, *ibid.*, p. 998 ff.; Johnson's Report, 1767, *ibid.*, p. 964.

⁴¹Miss Marjorie G. Reid has discussed this whole matter in a paper on "The Quebec Fur-traders and Western Policy, 1763-1774," in the *Canadian Historical Review*, VI, 15-33. She has studied with a good deal of care the competition between the French traders from beyond the Mississippi, and the merchants of Canada, and attributes Carleton's attitude with regard to the regulation of the fur trade to the representations of the Canadian merchants. The opinions of Carleton and Gage in turn exercised an important influence

traders, he replied that while it might be well to watch them rather closely, still he had seen no particular evidences of disloyalty on their part and he believed that with fair treatment they might be relied upon. He did not favor the plan of restricting the trade to the posts, pointing out that during the French régime, traders had gone hundreds of leagues into the wilderness beyond Michillimackinac. In short, Carleton looked at the whole question from the viewpoint of the Canadian merchants.⁴² There was some ground for complaint against the attempt to restrict activities of the traders to the posts, especially in the case of those who dealt with the tribes living to the northwest of Lake Superior, and Lord Shelburne, convinced by the representations of Carleton, gave Johnson instructions that traders should be allowed free access to the hunting grounds of the Indians living north of the Ottawa River and the Great Lakes.⁴³ Even Johnson himself finally admitted that there might be some reason for giving more latitude to the northern traders, though he still believed that the more southern branches of commerce should be confined to the posts.⁴⁴ He was led to modify his original position still further in face of the extreme opposition which he continued to encounter. He had at first advised that the trade be confined to Oswego, Niagara, Fort Pitt, and Detroit, but came later to see that if his plan were to be at all practicable, the posts to which the merchants should be allowed to go must be more numerous.⁴⁵ In his report

with those members of the British ministry who were considering the problem, and were partly responsible for the important change of policy which was announced in 1768.

⁴²Carleton to Johnson, March 27, 1767, *Michigan Pioneer Collections*, X, 222-224.

⁴³Shelburne to Johnson, June 20, 1767, *Lansdowne Manuscripts*. Shelburne was secretary of state for the southern department.

⁴⁴Johnson to Shelburne, December 3, 1767, *New York Colonial Documents*, VII, 998.

⁴⁵Johnson's rather extreme position in this respect was probably the result of his long connection with the conduct of Indian affairs in the colony of New York, whose traders had not been in the habit of penetrating the interior prior to 1763, but had dealt with the Indians at Oswego. In suggesting the restriction of the trade to the posts above mentioned, Johnson pointed out that in earlier days the Sioux, as well as the Christianaux from the neighborhood of Hudson Bay, had often come to Oswego. He argued further that while the Indians themselves thought nothing of long journeys, they did not make

to the Lords of Trade in 1767, he recommended that in addition to Detroit, Michillimackinac, Niagara, Oswego, and Fort de Chartres, where the trade was then centered, posts should be established at La Baye, St. Mary's, at the entrance to Lake Superior, Sandusky, St. Joseph, Ouiatanon, and also on the Miami, or Maumee, as it is now called.⁴⁶ These places had all been trading centers under the French régime, and Johnson expressed the conviction that if they were reestablished the merchants would have no further ground for complaint at not being allowed to roam at will in the Indian country.⁴⁷ The restrictions which he was endeavoring to impose upon the merchants do not, indeed, seem to have been very effective, for Johnson's letters are filled with complaints against those who continued to violate all trade regulations by going into the interior without permission.⁴⁸ The Canadian merchants likewise complained of the enormous quantities of rum which were sent into the Indian Country from the other colonies, principally from New York. They declared that in consequence of the provisions of the Proclamation of 1763, whereby the trade was thrown open to all, many persons of disreputable character and little property had embarked in the fur industry, who dealt in nothing but rum. The result was that commerce in general was being demoralized, and they proposed measures whereby the sale of liquor might be restricted, but no effective steps were taken as a result of their representations.⁴⁹

sufficient allowance for the expense of transporting goods to Michillimackinac and the other posts. Johnson to Amherst, August 25, 1763, *New York Colonial Documents*, VII, 543.

⁴⁶During this period, the river emptying into the head of Lake Erie, and now called the "Maumee," was known as the "Miami." It will henceforth be referred to as the "Maumee," to avoid confusion with the Miami River which is a tributary of the Ohio.

⁴⁷In his remarks on the plan of the Lords of Trade in 1764, Johnson had recommended that the trade be confined to eleven posts, which he enumerated. By 1767, the only ones which had been established were Detroit, Michillimackinac, Niagara, Oswego, and Fort de Chartres. Alvord and Carter, *op. cit.*, p. 328; Johnson's Report, 1767, *New York Colonial Documents*, VII, 973, 974; Johnson to Lords of Trade, January 15, 1767, *ibid.*, p. 895.

⁴⁸Johnson to Carleton, January 27, 1767, *Canadian Archives, series Q*, IV, 115; Johnson to Shelburne, April 1, 1767, *New York Colonial Documents*, VII, 915; (same to same), May 30, 1767, *ibid.*, p. 929.

⁴⁹Merchants and Citizens of Quebec to Carleton, [1767], *Canadian Archives, Department of Indian Affairs*; Traders of Detroit to Johnson, November 26, 1767, *Johnson Manuscripts*, XV, 157.

Sir William Johnson's hopes for the establishment of an imperial system for the regulation of Indian affairs, which should be under the control of the superintendents of the northern and southern departments, were doomed to disappointment. The Lords of Trade finally came to the conclusion that the plan of 1764 was impracticable because of the expense involved, with the result that in 1768 the regulation of trade was turned over to the colonies, as had originally been the custom. The general organization of the Indian department was retained, including the superintendents of the northern and southern departments, but the commissaries were recalled and all matters of trade supervision were turned over to the colonial governments.⁵⁰

Johnson's insistence that the Indian trade be confined to certain designated posts is interesting in retrospect because it represents a method of supervision and control which has been recurred to again and again. Thus in 1809 Captain Meriwether Lewis was advocating that a similar plan be adopted by the United States government for the control of the fur trade of Louisiana. In spite of all that may be said for the method from the administrative standpoint, it could not be put into operation without fundamentally altering the character of the trade, and in the end, economic considerations usually prevailed.⁵¹

All efforts on the part of the colonies to devise effective means for the regulation of the fur trade were in vain, as might have been expected. One plan was suggested whereby commissioners were to have been appointed by each of the colonies principally interested in the trade, to come together and devise some means of regulation. The scheme had to be abandoned, owing to the opposition of the King, who in view of the prevailing temper of the colonies, feared lest the occasion might be seized upon for the transaction of business detrimental to imperial interests.⁵² It was apparent from the very first, however, that the interests of the colonies themselves were so divergent as to render it next to im-

⁵⁰Alvord, *op. cit.*, II, 27, 53; Reid, *op. cit.*, p. 25, 26.

⁵¹*Original Journals of the Lewis and Clark Expedition, 1804-1806*, (ed. Thwaites), VII, 382-384.

⁵²Colden to Hillsborough, July 7, 1770, *New York Colonial Documents*, VIII, 216; Cramahé to Hillsborough, October 31, 1771, *Canadian Archives, series Q*, VIII, 82; Hillsborough to Cramahé, July 19, 1771, *Canadian Archives, Report*, 1890, p. 47; (same to same), December 4, 1771, *ibid.*

possible to enact any general measures for the regulation of the fur trade. In 1771, the New York assembly drew up a series of regulations which were submitted to the council of Quebec. These proposed measures provided among other things that a duty should be levied upon all goods used in the trade and likewise suggested that the sale of rum be confined to Niagara, Detroit, Fort Pitt, and the post of Carillon, situated upon the Ottawa River. The merchants of Montreal opposed the levying of duties upon merchandise used in the trade as well as the proposed restriction upon the sale of rum. While they were favorable to the total prohibition of the sale of liquor to the Indians, which would have been to the best interests of the savages as well as of the traders themselves, they feared that any such half-way measures as those submitted by the New York assembly would only redound to the commercial advantage of their rivals. The members of the council were in agreement with the merchants and this attempt to regulate the Indian trade by an intercolonial agreement came to nothing.⁵³ The British ministry as well as the provincial governors repeatedly endeavored to secure the enactment of colonial laws for the regulation of the trade but the divergence of interests was too great and all efforts were in vain. The ministry finally concluded that parliamentary action would be necessary in order to remedy the situation.⁵⁴

⁵³Minutes of the Council of Quebec, January 10, 1772, *Canadian Archives, series Q*, VIII, 129; Memorial of Sundry Merchants Concerned in the Indian Trade, Upon the Proposals Submitted by New York, October 31, 1771, *ibid.*, p. 133; Hillsborough to Cramahé, July 1, 1772, *ibid.*, p. 139. There had been evidences of jealousy between Quebec and New York for some years past. In 1766, the merchants of Montreal had declared their belief that the colony of New York desired the trade to be restricted to the posts because of the superior advantages enjoyed by their Canadian rivals. Memorial to Carleton, September 20, 1766, *Canadian Archives, series Q*, V, 200. Johnson, on the other hand, believed that the traders of Quebec were apprehensive because under the British régime, those of New York possessed advantages equal to their own. Johnson to Shelburne, December 3, 1767, *New York Colonial Documents*, VII, 999.

⁵⁴Circular letter of Hillsborough, November 15, 1770, *New York Colonial Documents*, VIII, 254; Dunmore to Hillsborough, January 18, 1771, *ibid.*, p. 261; (same to same), March 9, 1771, *ibid.*, p. 265; Hillsborough to Johnson, December 4, 1771, *ibid.*, p. 287; Dartmouth to Johnson, February 3, 1773, *ibid.*, p. 348.

The failure of the colonies to enact suitable measures for the supervision of the fur trade caused a good deal of confusion and occasioned great dissatisfaction among the Indians themselves. Enormous quantities of rum were being sent into the upper country, especially from New York; and so great were the profits derived from its sale that many traders dealt in nothing else, with the result that the savages were being completely demoralized. Many of the traders who dealt in liquor were themselves men of exceedingly disreputable character, being guilty of all sorts of abuses in their dealings with the Indians; and more than once did the tribes in council with Sir William Johnson complain of the failure of the colonial governments to regulate the trade and protest against the lawless acts of those who roamed in their midst and brought the rum which debauched their young men. Johnson, while he sympathized entirely with their point of view, was nevertheless obliged to defend the acts of the government which he represented as best he might. The results which he had foreseen when the British ministry changed its policy with regard to the regulation of trade had actually come to pass.⁵⁵ He died in the summer of 1774; and his last days must have been filled with bitter disappointment when he reflected that all his efforts to bring about the establishment of a well-ordered system for the management of Indian affairs had failed and that instead, confusion and discontent reigned among the tribes whose welfare he had so much at heart.

Conditions in the Indian country were growing intolerable. Crime and disorder became increasingly prevalent and it was hopeless to expect that conditions should improve so long as there was not even a civil establishment by which the affairs of the traders at the western posts might be regulated. One reason for the passage of the Quebec Act is to be found in a desire on the part of the British ministry to remedy this situation and to provide for the establishment of some sort of legal authority in the fur country. It has been pointed out that the Quebec Act was not a measure enacted for the punishment of recalcitrant provinces, but was

⁵⁵Johnson to Hillsborough, August 14, 1770, *New York Colonial Documents*, VIII, 225; Johnson to Dartmouth, November 4, 1772, *ibid.*, p. 315; Proceedings of Sir William Johnson with the Six Nations, April, 1773, *ibid.*, p. 364, 366; July, 1774, *ibid.*, p. 475, 477; Cramahé to Claus, August 6, 1772, *Canadian Archives, Claus Papers*, I, 145.

"the product of the period of imperialistic thought and of kindly feeling toward the colonies." The measure represented an attempt on the part of the ministry to extend the imperial power over a part of the Mississippi Valley in order to do away with the existing chaos.⁵⁶

From the point of view of the fur trade the most important part of the Quebec Act is that which provides for the extension of the boundaries of Canada so as to include the vast area lying between the Ohio River and the Mississippi. The merchants of Quebec who were engaged in the fur trade were naturally exceedingly anxious for the enlargement of the boundaries of the province. Not only did they desire the establishment of a government which should render secure the lives and property of the traders in the Great Lakes' region but they were likewise eager that measures be taken to stop the encroachments of white settlers upon the Indians' hunting grounds. It was for this reason that the London merchants interested in the fur trade uniformly favored the extension of the boundaries of the province. That the ministry likewise had in mind the prevention of western settlements is indicated by a statement of William Knox, who was in a position to know the purpose of the act and who declared that the western territory was included within the limits of the province of Quebec "with the avowed purpose of excluding all further settlement therein, and for the establishment of uniform regulations for the Indian trade."⁵⁷

The views of the Canadians themselves are clearly revealed as early as 1769 in the report of a committee of the council of Quebec appointed for the purpose of considering the memorials of certain merchants on the subject of their trade. In this report, which was dated April 8, the members of the committee took occasion to express their general views with respect to the fur trade, preliminary to a discussion of the matters referred to in the petitions of the merchants. They pointed out first of all that the places at which the trade was carried on were subject to no civil jurisdiction, having no government of their own, and not being annexed

⁵⁶Alvord, *op. cit.*, II, 235, 237, 238, 241-243; V. Coffin, "The Province of Quebec and the Early American Revolution," in *Bulletin of the University of Wisconsin, economics, political science, and history series*. I, 416-418.

⁵⁷Alvord, *op. cit.*, II, 242.

to any province which did enjoy a civil establishment. During the period when the superintendent of Indian affairs had possessed authority to regulate the trade at the interior posts, it had been possible for each province to compel its own merchants to observe the rules which were established for the control of commerce with the Indians. But now that this plan had been abolished there was no longer any means whereby the trade might be subjected to effective control. The committee indicated the difficulty of accomplishing anything by provincial legislation. If one colony were to place its commerce under restriction of any sort its traders would be at a disadvantage in their competition with the merchants of rival provinces, in case the latter did not see fit to enact similar measures. It was perfectly evident from the experience of the past few years that any attempt at concerted action on the part of the colonies engaged in the fur trade was useless. As the only remedy for the situation, the committee believed that the western posts should be annexed to one of the colonies and the natural corollary to this view was the conviction that Quebec ought to be the favored province. Her traders were more numerous than those of any other colony and likewise disposed of more British manufactures in the form of Indian goods than any other, it being pointed out that New York sent little besides rum into the interior. In addition to these considerations, the nature of the water communications made it desirable that the fur-bearing region of the upper country be placed under the control of Quebec in preference to any other colony. This statement is especially significant inasmuch as the committee expressed the desire that if the views set forth met with the approval of Governor Carleton, he should communicate them to his Majesty's ministers.⁵⁸ Memorials drawn up in 1773 by both French and English subjects in Quebec urged the extension of the boundaries of the province as a means of controlling the western fur trade.⁵⁹

The spirit of intercolonial rivalry already referred to was of the greatest importance in determining the attitude of the traders of Quebec. In October of 1773, Lieutenant-governor Cramahé transmitted to Lord Dartmouth a draft of the existing boundary

⁵⁸Report of Committee of Council on the Indian Trade, April 8, 1769, *Canadian Archives, series Q*, VI, 84.

⁵⁹Shortt and Doughty, *op. cit.*, 351, 358.

between New York and Canada and expressed the hope that some alteration might be made before definite action should be taken. The people of Quebec were apprehensive lest the proximity of the colony of New York to the St. Lawrence might lead to some interference with the fur trade which they carried on by means of that waterway. They pointed out that the merchants of New York had already obtained a considerable share in the trade and that if the existing boundary were confirmed, they would be very likely to obtain full possession of it.⁶⁰ Such an outcome would work great injustice to the merchants of Canada, as they could never compete with New York in the conduct of the West India trade, while the climate of their own province was not such as to attract immigration. Their prosperity depended entirely upon the fur trade.⁶¹ The opponents of the Quebec bill, on the other hand, pointed out the injustice to the other colonies in annexing the Indian country north of the Ohio to Canada. Lord Shelburne in the course of the parliamentary debate protested vigorously against a measure which he declared would place the entire fur trade "from Hudson's Bay to the forks of the Mississippi" under the control of the province of Quebec.⁶²

The passage of the Quebec Act aroused a storm of opposition, not only in the southern colonies but in Canada as well. The English inhabitants were incensed because it provided for the establishment of French civil law in the province and recognized Catholicism.⁶³ This obnoxious measure was shortly followed by the passage of a revenue act, which among other things provided for a heavy duty upon rum imported from the other British colonies in

⁶⁰Trade returns for the year 1767 show that there was some ground for apprehension. Of forty-two consignments of peltry shipped from Michillimackinac from June to October, 1767, twenty-nine went to Montreal and thirteen to Albany. "Fur Trade Returns," 1767, reprinted in *Canadian Historical Review*, III, 351-358. The original returns were found in the Public Record Office, among the Colonial Office Papers.

⁶¹Cramahé to Dartmouth, October, 1, 1773, *Canadian Archives, series Q*, IX, 91.

⁶²Hansard, *Parliamentary History*, XVIII, 673.

⁶³Isaac Todd to Messrs. Rinkin and Edgar, August 26, 1774, Toronto Public Library, *Letters and Accounts of the North-West Co., 1763-1787*; Coffin, *op. cit.*, carefully considers the attitude of the Canadians with regard to the measure.

America.⁶⁴ The merchants were greatly alarmed since they imported nearly all their rum from New York and there was also some apprehension lest duties might be levied upon other goods as well. In case the merchants of Canada were obliged to break off commercial relations with New York, their situation would be serious as it was reported that goods were already twenty-five per cent higher than they had been prior to the disturbances in America.⁶⁵ In brief, the Quebec Act appears to have satisfied no one and so great was the discontent of the merchants of Montreal that there was fear in some quarters lest they might be inclined to cast their lot with the rebellious colonies to the southward.⁶⁶

It has already been stated that one of the principal objects of the ministry in extending the boundaries of Quebec had been to provide a government for the Indian country. The thirty-second article of Governor Carleton's instructions dated January 3, 1775, contained some general recommendations concerning the regulation of the Indian trade and the imperial plan which had been drawn up in 1764 was enclosed, to be used by the legislative council as a guide in enacting measures for the regulation of the commerce of the interior.⁶⁷ The instructions likewise provided for the establishment of inferior courts of criminal and civil jurisdiction in the districts of the Illinois, Vincennes, Detroit, Michillimackinac, and Gaspée, and ordered the appointment of a superintendent or lieutenant-governor for each district. These courts, together with the lieutenant-governors, were to constitute the civil establishment for the Indian country.⁶⁸

In accordance with his instructions, Governor Carleton appointed lieutenant-governors for the various districts but the outbreak of the Revolution prevented the enactment of the measures necessary for the establishment of the courts provided for in the plan.⁶⁹ As Carleton said in a letter to Lieutenant-governor Hamilton, "The Legislative Council is met, but the times will not

⁶⁴Shortt and Doughty, *op. cit.*, p. 576.

⁶⁵McTavish to Edgar, December 24, 1774, *Letter and Accounts of the North-West Co.*, p. 15.

⁶⁶Letter of Claus, October 21, 1774, *Claus Papers*, I, 170.

⁶⁷Shortt and Doughty, *op. cit.*, p. 618.

⁶⁸*Ibid.*, p. 600, 607.

⁶⁹The superintendents appointed for Vincennes and the Illinois country never actually took charge of affairs in their respective districts.

at present admit of any regulations being made for distant or remote situations while the commotions continue, the power of the sword is chiefly and indeed only to be trusted to.”⁷⁰ The lieutenant-governors at Detroit and Michillimackinac were given commissions as justices of the peace and this seems to have marked the extent of the civil establishment at these places during the Revolution and the years immediately following.⁷¹ The supreme authority over the Indian country was to all intents and purposes vested in the governor-general, and the lieutenant-governors at Detroit and Michillimackinac simply carried out his instructions in the conduct of affairs at their respective posts. During the administrations of Carleton and Frederick Haldimand, who succeeded him, the governor-general was likewise commander-in-chief of his Majesty’s forces within the province. Unquestionably this centralized and semi-military régime was the best that could have been devised for the control of the upper country during the Revolution and the troubled years which followed.⁷²

The circumstances which prevented the establishment of courts in the upper country likewise delayed the formation of any general policy with respect to the regulation of the fur trade. Like the Proclamation of 1763, Carleton’s instructions directed that the commerce of the interior should be free and open to all who secured licenses for the purpose from the provincial governor. The legislative council was to enact commercial regulations designed to give every possible facility to the trade consistent with justice to the Indians. It was recommended that a scale of prices for furs and goods be established and above all that the sale of liquor to the Indians be restricted.⁷³ The whole tenor of the instructions made it apparent that the British ministry had gone back to the essential ideas which had been embodied in the imperial plan of 1764. It is true that the idea of colonial regulation had not been abandoned, but at the same time it had been centralized, inasmuch as the

⁷⁰Carleton to Hamilton, February 2, 1777, *Michigan Pioneer Collections*, IX, 345.

⁷¹Instructions to Lieutenant-governor Sinclair, Art. 2, *Michigan Pioneer Collections*, IX, 517.

⁷²These general conclusions concerning the character of the administration of the upper country have been derived from a study of the correspondence in the Haldimand Collection.

⁷³Shortt and Doughty, *op. cit.*, p. 618.

greater part of the fur-bearing region occupied by the Indians of the northern department had been annexed to the province of Quebec and consequently the trade of the region would be under the control of the legislature of that province.

On March 29, 1777, the legislative council passed an ordinance for the purpose of regulating the Indian trade, but inasmuch as the war rendered impracticable any attempt to formulate a comprehensive system for the supervision of the commerce of the upper country, the provisions embodied in the measure fell far short of the recommendations contained in Carleton's instructions. The ordinance appears in fact to have embodied an attempt to correct only the most obvious of the abuses which had arisen during the past few years. Among other regulations, it contained the following: (1) No liquor was to be sold to the Indians without a license obtained from the proper authorities. (2) No person was to purchase, receive in pledge or in exchange, any clothes, blankets, fire-arms, or ammunition belonging to any Indians within the province. (3) No one was to be allowed to settle in the Indian country without a license.⁷⁴ It was hoped by these measures to do away with the evils complained of so often during the years immediately preceding the passage of the Quebec Act, namely, the unrestricted sale of liquor to the savages, the frauds practiced upon them by traders, and the encroachments of white settlers upon their hunting grounds.

The general subject of the regulation of Indian affairs is of importance in any consideration of the fur trade, an industry whose welfare depended absolutely upon the friendship of the savages with whom it was carried on. The French had established forts at various places in the upper country, by means of which they had exercised control over the tribes living in their vicinity. Thus certain nations came to be regarded as dependent upon certain posts, whither they resorted to receive presents and hold councils with the representatives of the French king, their "father." When the British gained possession of Canada, it was natural that they should adopt the general system which had been employed so successfully by their predecessors. They did not, however, follow the plan of maintaining troops at the smaller outposts. There were garrisons at Oswego, Niagara, Detroit, and Mich-

⁷⁴*Canadian Archives, Report, 1914-1915, p. 65.*

illimackinac, but the smaller posts or "dependencies" as they were called became simply the resorts of traders and Indians. The principal dependencies of Detroit during the period under consideration were Ouatanon, Sandusky, St. Joseph, Saginaw, Vincennes, and the post on the Miami. The Wyandot, Ottawa, Chippewa, Miami, and Potawatomi were some of the more important tribes living in the region dependent upon this district.⁷⁵ The principal outposts of Michillimackinac were La Baye, Prairie du Chien, St. Mary's, at the entrance to Lake Superior, and Grand Portage, while among the tribes regarded as dependent upon the post were the Sauk, Fox, Winnebago, Menominee, and Sioux.⁷⁶

During the period from 1774 to 1796, the Indian department in Canada exercised no direct control over the trade. The legislative council might enact measures for the regulation of commerce, while the governor of the province might and did very often give orders concerning the conduct of the trade which were carried out by his subordinates, the lieutenant-governors at Detroit and Michillimackinac.⁷⁷ The chief service rendered by the Indian department was the maintenance of friendly relations with the tribes dependent upon the posts. It held councils and acted as the medium for the distribution of presents; its blacksmiths and interpreters were placed at the disposal of the savages, while everything possible was done to preserve friendly relations between the traders and the Indians and to ensure justice in their mutual intercourse.⁷⁸ Political relations with the natives were under the supervision of the commandants at the posts, who endeavored to carry out the instructions of their superiors.⁷⁹ In matters having to do

⁷⁵The names of the dependencies and Indian tribes given above are taken from a paper entitled "Number of Indians at Detroit & places depending thereon, 1782." *Canadian Archives, Department of Indian Affairs.*

⁷⁶*Michigan Pioneer Collections*, IX, X, XI, *passim*.

⁷⁷Until 1791, every trader in the province of Quebec who imported goods into the upper country was obliged to secure a license from the governor. The lieutenant-governors at Detroit and Michillimackinac were authorized to decide who should be allowed to go out into the Indian country from those posts.

⁷⁸Standing Orders for the Posts in the Upper Country, February 6, 1783, *Canadian Archives, series, B, CXV*, 52; instructions to Sir John Johnson, February 6, 1783, *ibid.*, p. 56, 64.

⁷⁹The Haldimand papers contain numerous reports of councils with the Indians, presided over by the commandant at Detroit.

with the regulation of commerce, the governor and legislative council were supreme and during the Revolution and the years immediately following, when the times were not auspicious for the enactment of legislative measures affecting the upper country, control over the fur trade was exercised almost exclusively by the former.

The period between 1763 and 1774 was one of transition in the history of the fur trade in the region stretching northward from the Ohio. The fall of French dominion in Canada was followed by an influx of British merchants into the field, who began to crowd out their former rivals. The changed political and economic conditions which resulted from this new situation necessitated the establishment of a system for the regulation of trade and Indian affairs, and during these years, the British ministry strove without success to solve the problem with which it was confronted. The culmination of this period of effort was reached in the passage of the Quebec Act, which provided for a system that was in reality a combination of the ideas embodied in the imperial plan of 1764 and the colonial plan of 1768. What line of development the trade would have followed under ordinary circumstances it is difficult to say, for immediately after the enactment of the measure events took place which utterly changed the aspect of affairs in the British dominions in North America.

CHAPTER II

THE REVOLUTION AND THE FUR TRADE

Lord Shelburne, denouncing the Quebec Act before Parliament in 1775, declared that one of the immediate effects of the measure would be to deliver the entire peltry trade of the region extending from the Ohio River to the southern limits of the Hudson's Bay Company, into the hands of the Canadians.¹ Whether or not his prophecy would have been fulfilled under normal conditions, it is difficult to say, for shortly after the enactment of the measure, the storm which had long been gathering in the American colonies finally broke, and a new epoch in the history of the Northwest and of the fur trade began. The Revolutionary War was attended by momentous consequences for the commerce of the upper country; in fact, the history of the Northwest during this period is an almost inextricable tangle of war, Indian politics, and trade, from the standpoint of the Americans as well as of the British. The varying fortunes of war and a steadfast determination to promote the traffic in furs together dictated the British policy with regard to the Great Lakes' region. Whatever restrictions the British imposed upon commerce from time to time by reason of military necessity, it is certain that there was ever present in their minds the intent to retain control of the Northwest for the sake of the valuable peltries which it yielded.² While the Americans, as they must henceforth be called, were less vitally interested in the fur trade, there are indications that even they would not have been at all averse to taking advantage of any commercial opportunities which the military occupation of the Northwest might have thrown in their way. As in the old days when the English and the French were struggling for supremacy in America, the traders themselves played an exceedingly important part in the wilderness warfare of the Revolution. Their aid was invaluable in enlisting the sympathies of the Indians on one side or the other.

¹Hansard, *Parliamentary History*, XVIII, 673.

²British officers regarded the Northwest almost entirely from the standpoint of the fur trade, and throughout their correspondence is revealed a desire to preserve the posts for the sake of the commerce which they controlled. Haldimand to Bolton, April 18, 1779, *Michigan Pioneer and Historical Collections*, XIX, 396.

Once more was proved the truth of Wraxall's assertion that Indian trade and politics are inseparable.

Almost every commercial advantage, so far as the Great Lakes' region was concerned, lay with the British at the beginning of the struggle. Of supreme importance was the fact that at the outset they were in actual military possession of the fur country. Oswego, Niagara, Detroit, and Michillimackinac, the principal posts controlling the Northwest, were garrisoned by troops which, though few in number, were of unquestioned loyalty. So long as the British could continue to hold these posts and their dependencies, control of the Indian nations of the interior and of their trade was practically assured. Another decided advantage on the side of the British was the fact that at the beginning of the war, they controlled the only existing organization for the administration of Indian affairs. The northern department had for years enjoyed the advantages of the wisdom and experience of Sir William Johnson, who probably understood the Indian nature better than any other man who has ever lived. He had appointed several of the officers of the department, who served under him during his lifetime and remained loyal to Great Britain after his death.³ The personnel of the Indian establishment was increased after the outbreak of the war by recruits selected in many cases from the ranks of the traders who, by reason of their long experience in dealing with the savages, became most capable officials. The revolting colonies, on the other hand, were decidedly handicapped in this respect, since they were obliged to create an entirely new machinery for the management of Indian affairs and trade, a task which required time and considerable effort. Thus, at the very outset, the British had a great advantage over the Americans by reason of the facilities at their disposal for retaining the friendship and trade of the Indians. Still another circumstance which gave their merchants a tremendous initial advantage over possible American competitors was the fact that nearly all the manufactured goods used in the fur trade came from England. The outbreak of war cut off American merchants from London, which was not only the world's fur

³Return of Officers and other Appointments of the Northern Department of Indian Affairs on the Peace Establishment previous to the late Rebellion in America, Montreal, November 20, 1786, *Canadian Archives, Transcripts*, C. O. 42, XVIII, 124.

market, but likewise the source from which the goods used in the Indian trade were imported. The colonies could indeed supply a certain amount of rum, ammunition, and tobacco, but they lacked facilities for the manufacture of the blankets, knives, and various other goods which were in great demand among the Indians.⁴

There were on the other hand certain elements of weakness in the British position in the Northwest. First of all, the loyalty of a large part of the trading class was not above question. The French-Canadians were as a rule lukewarm in their attachment to the British cause and were a constant source of anxiety to the commanders of the northwest posts. To this class belonged not only the *voyageurs*, *engagés*, and petty traders in the Indian country, but also some influential merchants of French blood located in the upper country; and one of the difficult problems of the commanders at the upper posts was to keep them under surveillance without arousing their hostility. The British, moreover, had a tremendously long line of communications to protect, extending from Kaskaskia in the Illinois country and the posts northwest of Lake Superior, to London itself—a line which might be threatened at two or three different points. Fort Pitt, in the hands of the Americans, was a constant menace to Detroit and Niagara while the old route by way of the Hudson River and Lake Champlain afforded a comparatively easy avenue of approach to Montreal, the great emporium of the Canadian fur trade. The posts in the upper country were at no time very strongly garrisoned, and British commanders lived in constant dread of an American attack, while even the trade fleets plying between London and Quebec had to be convoyed during their passage of the North Atlantic.

New York and Pennsylvania, as has already been pointed out, were the American colonies most interested in the fur trade at the outbreak of the war. The two principal communications leading to the Indian country were the route from Albany to Oswego by way of the Mohawk River and Oneida Lake; and the overland route from Philadelphia to Fort Pitt, thence to the Indian country

⁴As early as 1770, Sir William Johnson had complained of a scarcity of goods in New York as a result of the non-importation measures, a scarcity which occasioned considerable dissatisfaction among the Indians. Johnson to Hillsborough, July 12, August 14, 1770, *New York Colonial Documents*, VIII 222, 225.

by pack horse, or by boat down the Ohio River. The presence of a British force at Oswego, together with the hostility of the Six Nations, effectually blocked the former route; and the fur trade of the Great Lakes' region, so far as New York was concerned, was ruined. It is more difficult to say to what extent the commerce of the Ohio Valley depending upon Fort Pitt continued after the outbreak of the Revolution, but it was of necessity greatly restricted by war and the uncertain attitude of the Indians. The various factors which have been enumerated combined to give to the British a monopoly of the fur trade dependent upon the posts situated in the upper country. Their task was simply to retain possession of that which was delivered into their hands by force of circumstances.

The Continental Congress had from the very beginning appreciated the importance of the political attitude of the savages and by a series of resolutions adopted July 12, 1775, laid the foundations for a system for the management of Indian affairs.⁵ Hand in hand with the task of creating an organization for the supervision of the various tribes and the preservation of their friendship went the problem of establishing and maintaining trade relations with the Indians. Commercial intercourse was in fact essential to the attainment of the former object. At a conference between the commissioners for the northern department and representatives of the Six Nations, held at Albany in the late summer of 1775, the Indians expressed a desire that the Americans should open up trade with them at Albany and Schenectady, as in former days, when if their people "came down with only a few musquash skins, they went home with glad hearts."⁶ The commissioners assured the Indians that a trade would be established at these places, although they must have known that such a promise was more easily made than fulfilled.⁷

⁵*Journals of the Continental Congress*, II, 174, 177. Three departments were designated, a northern, southern, and middle, each in charge of a group of commissioners. The similarity to the organization of Indian affairs under British rule is obvious, although pains were taken to avoid the centralization of control in the hands of superintendents, doubtless owing to the prevailing distrust of strong executive authority.

⁶*American Archives*, (Edited by Force) 4th series, III, 487. The Six Nations had not yet declared their hostility toward the Americans.

⁷*Ibid.*, p. 489.

Congress did make an effort, however, to establish commercial relations with the Indians, as the surest means of preserving their friendship and alliance. A record of the proceedings at Albany was submitted to a committee of Congress, on the basis of which a report was drawn up and presented on January 27, 1776, and on the same day, resolutions were adopted outlining plans for the establishment of trade with the Indians. It was provided, first of all, that £40,000 worth of goods should be purchased abroad, and imported on the account and risk of the United Colonies. The Secret Committee of Congress was empowered to contract for the importation of the merchandise, and for the exportation of colonial produce to pay for it, while the goods thus obtained were to be sold to traders under the supervision of the commissioners. Congress also took this opportunity to lay down rules for the regulation of the trade. No person was to be allowed to sell goods to the Indians without first obtaining a license from one or more of the commissioners; traders were to dispose of their merchandise at prices fixed by the commissioners; and they were to be fair in their dealings with the Indians, taking no advantage of their distress or intemperance.⁸ They were furthermore obliged to give bond for the observance of these regulations upon receiving their licenses. Commerce with the Indians was also restricted to such places as the commissioners might see fit to designate.⁹

The principal obstacle to the execution of this project was the difficulty of obtaining merchandise. On April 10, Congress instructed the commissioners to inform the Indians that a plan had been determined upon for buying goods with which to supply their necessities.¹⁰ The problem appeared to be no nearer a solution as time went on, however, for on April 19, George Morgan, agent for the middle department, was directed to inform the tribes that Congress had devised the best plan of which it was capable for the importation of goods and that every effort had been made to secure them in good season. In case the goods should not arrive as soon as they were wanted the savages were to be informed that

⁸The Indians complained of the exorbitant prices charged them by American traders. Butler to Wilson, Force, *American Archives*, 4th series, V, 816.

⁹*Journals of the Continental Congress*, IV, 96.

¹⁰*Ibid.*, p. 267.

the British, by obstructing commerce, were to blame for the sad state to which the trade had been reduced; but they were to be urged to have patience, as relief was expected soon. Such language, addressed to tribes whose friendship was at least doubtful, reveals the straits to which the colonies were reduced in their efforts to maintain the Indian trade, upon which so much depended.¹¹ Notwithstanding the slight results obtained, these attempts indicate that Congress fully appreciated the importance of the relation between Indian trade and politics.

There was always the hope among the revolting colonies that they might gain possession of the Northwest by force of arms, and with it of the fur trade. Projects for expeditions against Niagara and Detroit were occasionally discussed during the early months of the conflict, but none of them was carried into execution.¹² One of the early military campaigns of the war, however, for a time threatened the very existence of the Canadian fur trade. On November 17, 1775, the city of Montreal surrendered to General Montgomery, leader of an American army which invaded Canada by way of Lake Champlain. Certain of the proposals submitted by a committee charged with arranging articles of capitulation on behalf of the inhabitants of the city are of interest. The committee suggested, among other conditions, that the trade between Montreal and the upper country on the one hand, and with England on the other, should continue without interruption, and that passports might be granted allowing persons to proceed upon legitimate business. In consideration of the weak state of the garrison, General Montgomery felt justified in rejecting these conditions as the basis of a formal capitulation. He replied that in view of the hostilities existing between the colonies and the mother country, he was unable to guarantee the continuance of commercial relations with Great Britain. He did undertake, how-

¹¹*Ibid.*, p. 295, 329, 330. The Pennsylvania convention adopted resolutions in January, 1775, urging all persons owning powder mills to manufacture ammunition as rapidly as possible. The necessity for powder in the Indian trade was one of the reasons given for the adoption of these resolutions. Force, *American Archives*, 4th series, I, 1171. The problem of securing goods does not appear to have become less difficult as time went on. Congress attempted to purchase Indian goods in France, but even after Clark's invasion of the Northwest, the supply was totally inadequate.

¹²*Journals of the Continental Congress*, IV, 301, 318.

ever, to protect the trade and grant passports to the upper country, in so far as the public interest should allow.¹³ It is not difficult to understand how vitally the prospects of the merchants were affected by the surrender of the city to the Americans. Montreal was the great center of the Canadian fur trade, and the interests of the merchants imperatively demanded that they should have free access to the upper country and that they should not be cut off from London, which was the market for their peltry, and the source from which they obtained their goods.

On March 4, 1776, while the Americans were still in possession of Montreal, a memorial drawn up by certain merchants of that city was laid before Congress and referred to a committee of five.¹⁴ Though a copy of the memorial has not been found the subsequent action of Congress will serve to throw some light upon its probable contents. The committee to which the document was referred made a report on March 13, and a week later, when the instructions to be given the commissioners appointed to go to Canada were being debated, additional articles were drawn up, which appear to have been in the nature of a reply to the merchants' petition to Congress. The commissioners were ordered to encourage the Indian trade of Canada, and to grant passports for that purpose in so far as might be consistent with the safety of the continental troops and the public good.¹⁵ They were also to inform the Canadians that their commerce with foreign nations should stand on an equal footing with that of the United States, an assurance which could not have been a source of much consolation to those whose income depended upon free intercourse with Great Britain.¹⁶ It is evident from these instructions that Congress

¹³William Kingsford, *History of Canada*, V, 470.

¹⁴*Journals of the Continental Congress*, IV, 182.

¹⁵The commissioners actually did grant passports to certain individuals to carry on the trade. *Canadian Archives, series Q*, XII, 22.

¹⁶*Journals of the Continental Congress*, IV, 200, 218. Careful search has failed to disclose the text of the memorial to Congress or the names of the merchants who signed it, though the petitioners in this case were doubtless identical with those whose names frequently appear signed to petitions and memorials of later date. Lieutenant-governor Sinclair, writing of this incident a couple of years later, said, "The North West society are not better than they ought to be. Their conduct in sending an Embassy to Congress in '76 may be traced now to matters more detrimental—I believe, to every one of the Provision Stores on the communication." Sinclair to Brehm, May 29, 1780,

was willing to make every possible concession in order to win over the Canadian trading class, which constituted by far the most wealthy and influential element of the population. While no definite contemporary expressions of opinion have been found, there can be little doubt that their interests caused those who were engaged in the fur industry to remain loyal to Great Britain.¹⁷ The American commissioners were able to give little assurance that commercial intercourse between Canada and England could be maintained, and had the Americans succeeded in holding the city, it is practically certain that trade with the mother country would have been cut off, at least during the war. The shutting off of Canada from the world's great fur market and source of Indian goods would have meant the utter ruin of the merchants of Montreal, who were fully alive to the situation. Their memorial to Congress while the Americans were in possession of the city reveals their anxiety and their determination to prevent the loss of their trade if possible. It is perhaps useless to speculate as to what might have been the consequences if the Americans had succeeded in the conquest of Canada. The chief trade of the province would unquestionably have been ruined, but it is also likely that the destruction of the commerce of the interior would have had a very important political effect upon the Indian tribes inhabiting the Northwest. In view of the fact that the Indians were dependent upon the traffic in furs for many articles which had become necessities of life, momentous consequences must have followed a sudden destruction of this mainstay of their existence, though it is difficult to say whether the British or the Americans would have become the immediate objects of their resentment. The unsuccessful attempt to conquer Canada had very little effect upon the trade of the Great Lakes' region, notwithstanding the fact that a different outcome must have been attended by momentous results.¹⁸

Michigan Pioneer Collections, IX, 552. Sinclair's meaning is none too clear, but he appears to have been of a naturally suspicious disposition.

¹⁷Among the conditions proposed by the citizens of Montreal at the time of the capitulation of the city was one to the effect that they should not be required to bear arms against England. Kingsford, *op. cit.*, p. 470. It is not at all unlikely that certain of the leading merchants of Montreal were members of the committee delegated to treat with Montgomery. The direction in which their interests lay is plainly to be inferred from their anxiety not to commit any act of hostility against the British.

¹⁸The capture of Montreal seems to have caused a temporary shortage of supplies. James Bannerman, writing to William Edgar from Michillimacki-

Of much more importance, in its actual effect upon the commerce of the Northwest, was the occupation of the Illinois country by the Virginians under George Rogers Clark in 1778. The effect of Clark's invasion upon Indian affairs and trade in the Northwest cannot be clearly understood without some account of the peculiar conditions which existed at the beginning of this period. The fur trade of the Great Lakes' region had been on the increase during the years immediately preceding the expedition of the Virginians, due in considerable measure to the enterprising character of the merchants who had entered Canada following the conquest.¹⁹ Reference was made in the preceding chapter to the confusion and disorder which prevailed in the interior during the years preceding the passage of the Quebec Act. Conditions did not improve as time went on, for the prosperous state of the trade attracted many lawless individuals, who, released from every restraint, committed all sorts of outrages in the Indian country and became involved in broils with the savages which not infrequently resulted in murder. Lieutenant-governor Hamilton has left anything but a flattering picture of the petty traders who frequented the vicinity of Detroit in the year 1776. He declared that they imposed upon the Indians to such an extent that the very name "trader" had become a synonym for "artfull cheat." Many of the *engagés* were fugitives from lower Canada and the colonies, who had either fled from their creditors or the law, and then entered the Indian trade, contracting debts and cheating all with whom they came in contact. He complained, also, of the evil influence which these irre-

nac on June 23, 1776, said that goods were very scarce in Canada owing to the fact that a Mr. Henry, probably Alexander Henry, along with others had purchased £15,000 worth of Indian goods in Montreal and carried them on sleds to Albany. For what purpose the goods were to be used is not indicated. The writer also says that "all the Powder abt. 900 Barrels was last fall started overboard into the River as there has no Canoes arrived since the 12th Ins. its imagined they wait for Powder from Quebec." *Letters and Accounts of the North-West Co.*, p. 21.

¹⁹Statistics of the Trade of Quebec, 1768-1783, in "Calendar of Haldimand Collection," III, 12, *Canadian Archives, Report*, 1888. It is difficult to draw any accurate conclusions from these tables, owing to the fact that the number of furs of different kinds exported varied relatively from year to year, while of course the different varieties were of very unequal value. See also Hamilton to Dartmouth, August 29 and September 2, 1776, *Canadian Archives, series Q*, XIII, 212.

sponsible persons exerted over the savages. In short, many of the traders in the Indian country were unprincipled vagabonds who required constant watching and were a continual menace to the peace and quiet of the upper country, a circumstance which had important consequences when the West at length became the theater of military operations.²⁰

Another source of danger to the British in the Great Lakes' region was the attitude of the Spaniards, who occupied the territory beyond the Mississippi. Attention has already been called to the fact that French and Spanish merchants living in Louisiana carried on an extensive trade within British territory, and after the outbreak of the Revolution, there were still further reports of Spanish interference with the Indian tribes east of the Mississippi, intrigues which the British suspected of being set on foot in order to secure control of the fur trade while they were occupied in the struggle with the Americans.²¹ British traders, on the other hand, had been encroaching upon the Spanish territory beyond the upper Mississippi for some years, and this fact did not serve to lessen the suspicion and distrust with which the officials of the two nations regarded one another.

Thus there were elements in the situation at the outbreak of the war which endangered the security of the trade in the Great Lakes' region, and the British officers in control of the Northwest considered it necessary to take measures to ensure the maintenance of law and order. The necessity for regulation became still more imperative after hostilities had actually begun. It was difficult enough to preserve order in time of peace, but upon the outbreak of war, the commanders at the upper posts must have felt that they were living upon the brink of a volcano, which was likely at any moment to burst forth and destroy them. The problem which confronted the British was to keep the good will of the Indians, to protect the posts and lines of communication against aggression from the colonies, and at the same time to ensure, with as little

²⁰Hamilton to Dartmouth, August 29 to September 2, 1776, *Michigan Pioneer Collections*, X, 267. Jealousy between the "New & Old Traders," meaning the English and French, was likewise the cause of much disorder. Letter to Basset, August 12, 1773, *ibid.*, p. 253.

²¹Vattas to Haldimand, June 16, 1773, *Michigan Pioneer and Historical Collections*, XIX, 303; letters of De Peyster, unaddressed, June 4 and 6, 1777, *ibid.*, X, 275.

interruption as possible, the continuance of the fur trade, upon which depended the friendship of the savages and the prosperity of Canada.

The ordinance passed by the legislative council of Quebec in 1777²² made no attempt to meet the situation resulting from the war. Even before Clark's invasion of the Illinois country, however, there arose a necessity for regulations vitally affecting the trade of the upper country. On May 22, 1777, Governor Carleton issued an order to the effect that no vessels were to be permitted to navigate the lakes, excepting such as were armed and manned by the crown.²³ All arms and ammunition used in the Indian trade were to be put aboard these vessels, and no military stores whatever were to be carried in open bateaux. Merchants might send other goods in the King's ships, provided always that the military service should be in no degree inconvenienced thereby. The purpose of this order was to prevent munitions of war from falling into the hands of the enemy, since there was danger that the Americans might seize private vessels; and there was the further consideration that a great many of the traders could not be trusted. Carleton considered the attitude of the traders of much importance and asked Hamilton for his opinion with regard to those at Detroit; where their political sympathies lay, what colonies they came from, and where they bought their goods before the outbreak of the war.

Such was the state of affairs in the Great Lakes' region early in the Revolution. The Illinois country in itself was of considerable consequence from the commercial standpoint. The inhabitants of Kaskaskia, Cahokia, and Vincennes, as well as the post of Ouiatanon on the Wabash, were many of them engaged in the Indian trade. Since 1774, these posts and the settlements surrounding them had been regarded as dependencies of Detroit, and a number of the merchants living in the region had business connections with the British posts, or directly with Montreal.²⁴ There was still considerable trade of one sort and another with the

²²See p. 39.

²³Carleton to Hamilton, February 2, 1777, *Michigan Pioneer Collections*, IX, 345, letter of Carleton, May 22, 1777, *ibid.*, p. 348.

²⁴C. W. Alvord, *Cahokia Records* (Illinois Historical Collections, II), p. xvi, xvii.

Spanish posts at St. Louis and Ste. Genevieve, and also with New Orleans. Many furs were sent down the Mississippi to New Orleans, while others were carried to the British posts, and thence to Montreal.²⁵ In brief, the fur trade of the Illinois country was of great value and importance, and during the years preceding the Revolution, had been regarded as a prize well worth striving for, both by English and Spanish merchants and government officials.

Clark's invasion of the Illinois country was occasioned by a variety of motives. The prevention of Indian depredations upon the back settlements, the acquisition of lands for future occupation, and the hope of dealing a blow at British military power in North America, were all motives back of the expedition of the Virginians. A desire to secure control of the fur trade certainly cannot be regarded as an immediate or impelling cause. On the other hand, Clark's own words, as well as subsequent events, leave no room for doubt that in the minds of those who were responsible for the expedition, the possibility of securing a share of the fur trade would be one of the advantages incident to the occupation of the region. In a letter written in 1777, probably to Governor Patrick Henry, Clark called attention to the fact that the possession of Kaskaskia would give the Americans command of the Ohio and Mississippi rivers, and thus enable them to obtain supplies from the Spaniards and to carry on trade with the Indians.²⁶ After the occupation had been accomplished, further military expeditions against the British were planned. Referring in 1780 to a projected movement against Detroit, Jefferson, then governor, said in a letter to Clark,

"If that Post [Detroit] be reduced we shall be quiet in future on our frontiers, and thereby immense Treasures of blood and Money be saved, we shall be at leisure to know [throw] our whole force to the rescue of our eastern Country from subjugation, we shall divert through our own Country a branch of commerce which the European States have thought worthy of the most important struggles and sacrifices, and in the event of peace on terms which have been contemplated by some powers we shall

²⁵C. E. Carter, *Great Britain and the Illinois Country*, p. 94; Defense of Thomas Bentley, August 1, 1777, C. W. Alvord, *Kaskaskia Records* (Illinois Historical Collections, V), p. 12.

²⁶Clark to Henry, undated, though clearly written in 1777. James A. James, *George Rogers Clark Papers* (Illinois Historical Collections, VIII), p. 32; Alvord, *The Illinois Country, 1673-1818* (Centennial History of Illinois, I), 324.

form to the American union a barrier against the dangerous extension of the British Province of Canada and add to the Empire of liberty an extensive and fertile Country, thereby converting dangerous Enemies into valuable Friends."²⁷

The events attending the occupation of the Illinois country afford one more illustration of the close connection between Indian trade and politics, and mark the beginnings of a commercial rivalry between Great Britain and the United States in the Northwest which was to continue for many years and was to have an important effect upon the future diplomatic relations of the two countries. In order to secure the attachment of the northwest tribes to the American cause, it was exceedingly desirable that trade relations should be established with them as quickly as possible. On December 9, 1778, the Virginia assembly passed an act which provided for the organization of the county of Illinois. It empowered the governor of Virginia, with the advice of the council, to take steps looking toward the establishment of a commerce of some sort for the benefit of the Indians and white inhabitants of the occupied territory. This commendable object was to be attained by "opening a communication and trade with New Orleans, or otherwise," by some means not indicated.²⁸

The proposed plan was at length put into operation and the governor appointed John Dodge Indian trade agent. County Lieutenant John Todd informed Clark of the appointment, adding that he hoped the agent might be able to furnish goods to the Indians on reasonable terms and yet not in such quantities as to injure the trade of individuals.²⁹ He need have given himself little concern on the latter score, however. The appointment of an agent did not, unfortunately, solve the problem of establishing trade relations with the Indians. The savages were urged to give good treatment to the American and French traders who visited

²⁷Jefferson to Clark, December 25, 1780, James, *op. cit.*, p. 490; Alvord, *Cahokia Records*, p. 11.

²⁸Governor Henry, in his instructions to County Lieutenant John Todd of December 12, 1778, said that the appointment of a trade agent for the Illinois country was being contemplated. It was to be the duty of the agent to superintend the establishment of trade with the white inhabitants and the Indians of the region, and if the plan should be adopted, Todd was requested to give it every assistance in his power. James, *op. cit.*, p. 87.

²⁹Todd to Clark, March 24, 1779, Alvord, *Kaskaskia Records*, p. 75.

them and have nothing to do with the "bad people," meaning of course the English, who came among them with presents or goods.³⁰ But long years of commercial intercourse with the white man had taught the savage to rely upon the traffic in furs for many articles which had become almost essential to his existence and if he were to discontinue his trade with the English, he must have something to take its place. The Americans were unable to supply his wants and the problem of retaining his good will became increasingly difficult.³¹ The whole situation, from the viewpoint of the Indians, was well summed up in a speech delivered by representatives of certain tribes in council at Fort Pitt in the summer of 1780:

"If our father is allied to the Americans, why do these allow us to be in want of everything; must we die together with our wives and children while rejecting the offers which the English make to us; we do not like them; we are ready to strike, but our urgent needs will finally force us to lend an attentive ear to their proposition, if you remain obstinate in still refusing the help which is absolutely necessary to us now. The wild animals which ought to nourish us and procure for us, by the exchange of their skins, clothing to which we have been accustomed, are much more wild than they were before we made use of fire-arms. We are in need, therefore, of powder, of weapons, of traps, instead of the burning liquors which kill our young people, for that is all that is furnished to us. Last year they made us a thousand promises at Philadelphia, now these are not even thought of. On the one hand we are forgotten, abandoned; on the other hand we are solicited and at times threatened by the English; in such a situation what can we do, what ought we to do?"³²

The situation from the standpoint of the Americans seemed almost hopeless. Thomas Jefferson wrote Clark that he saw no objection to allowing the British to trade with the Indians and supply them with those goods which the Americans were unable to furnish, provided they should not require anything from the savages which might lead them to abandon their neutrality. If the British were unwilling to come to such an arrangement, the Indians should be urged to break off relations with them and have nothing to do with their agents and traders. He was of the opinion

³⁰Joseph Bowman to the Chiefs of the Potawatomi, April 20, 1779, James, *op. cit.*, p. 311.

³¹Todd to Fleming, August 18, 1779, Alvord, *Kaskaskia Records*, p. 110.

³²De la Balme to Luzerne, June 27, 1780, *ibid.*, p. 164.

that it would be well to explain frankly to the Indians that the Americans were without goods and assure them that as soon as peace should be concluded, the trade would be placed upon a more satisfactory basis. Meanwhile, he felt that the Americans must endeavor to supply them with ammunition, in order that they might be able to carry on their hunting and clothe themselves with skins.³³ Jefferson could not have been well acquainted with the management of Indian affairs, or he would have understood the impossibility of retaining the political attachment of the Indians while allowing the British to trade with them. It was out of the question to establish Indian relations upon any such comfortable and satisfactory footing. The Americans were thus seriously handicapped in their efforts to gain the friendship of the Indians by the same lack of merchandise which had so hampered their efforts at the beginning of the war.

Clark himself made every effort to conciliate the northwest tribes and win them over to the American cause, and held councils which were attended by considerable success. The capture of Lieutenant-governor Hamilton at Vincennes in February of 1779 further increased the prestige of the invaders among the Indians, and Clark declared that American influence was soon extended almost to the walls of Detroit. The French merchants of the Illinois were of considerable assistance in this respect, for they worked among the Indians through their trading correspondents, who persuaded several tribes to come in to Cahokia to make peace.³⁴ The success of Clark's efforts was only temporary, however. The ruin of the trade of the Illinois country and the general chaos which ensued under the government of Virginia operated indirectly to destroy the influence which had been gained at the cost of so much labor, and a number of the tribes which had formerly been friendly became hostile to the Americans.

In the long run, the trade of the Illinois country suffered severely as a result of Clark's occupation. Commercial intercourse between Kaskaskia, Cahokia, and Vincennes, and the British posts of Detroit and Michillimackinac was interrupted, rendering it impossible to obtain merchandise from the British,

³³Jefferson to Clark, January 29, 1780, *Kaskaskia Records.*, p. 148.

³⁴Clark's Memoir, 1773-1779, James, *op. cit.*, p. 242; letter of Clark, June 26, 1783, *Calendar of Virginia State Papers*, III, 501.

while delay in settling the accounts of those who had advanced supplies to the invaders also added to the general business depression. As a result of the disorder and the impositions from which they suffered under the government of the Virginians, several of the French traders migrated to Spanish territory, among them being Gabriel Cerré and Charles Gratiot.³⁵ There was a good deal of dissatisfaction among those who remained, some of whom would apparently have welcomed a return to the British flag. Lieutenant-governor Sinclair of Michillimackinac sent out agents in the summer of 1781 with instructions hinting at the negotiation of some sort of trade agreement with the inhabitants of the Illinois country, but the plan miscarried.³⁶ The dissatisfaction of the merchants of this region, due to the loss of their trade, continued after the close of the Revolution and was the occasion of various memorials to Congress. It may be truthfully said that the ruin of the trade of the Illinois country which followed the occupation by the Virginians, directly prepared the way for the British commercial monopoly which was extended to that region by the merchants of Michillimackinac after the Revolution.

Attention has thus far been confined to the effect of Clark's invasion upon trade conditions in the region actually occupied by the Americans. Its influence upon the commerce of the country which remained under British military control was scarcely less marked. General Haldimand, who took up his duties as governor and commander of the forces in Canada in 1778, was confronted with the difficult task of protecting the Great Lakes' region from invasion while at the same time preserving the fur trade. The problem was rendered even more complex owing to the fact

³⁵Alvord, *Cahokia Records*, p. lxxxiii; letter of Clark, June 26, 1783, *Calendar of Virginia State Papers*, III, 501. Gratiot drew his supplies from the firm of David McCrae and Company. When he arrived in the Illinois country he found the Americans in occupation but remained, carrying on his trade, apparently by way of St. Louis. His remittances to the firm which he represented were interrupted, causing no little anxiety. On one occasion he attempted to send a boat load of furs and provisions to Prairie du Chien to be disposed of, but the cargo was seized by an officer of the Canadian Indian department. Memorial of John Kay and David McCrae, November 13, 1780, *Michigan Pioneer Collections*, X, 446.

³⁶Girardin to Sinclair, November 3, 1781, Alvord, *Cahokia Records*, p. 559.

that the security of the posts depended in large measure upon the friendship of the Indians, which in turn depended upon the maintenance of the trade. While Clark was making his overtures to the northwest tribes, the British on their side were exerting every effort to retain the good will of the savages, and in the various councils which they held, threats were mingled with persuasion.

Some of the arguments used by the British are of interest as further illustrations of the important relation between Indian trade and politics. Several tribes living in the Wisconsin country visited the post of Michillimackinac in the autumn of 1778. Before their departure, Major De Peyster, who was then lieutenant-governor and commandant, gave them a belt which he requested them to carry through the different villages of the nations living under the protection of the British.³⁷ He urged them to remain quietly at home and have no dealings with the "rebels" and particularly enjoined them not to injure British traders. Should they misbehave during the winter, he threatened to send back every canoe load of traders' goods to Montreal the following season. This argument, he said, had considerable force with the Indians. He also impressed upon them that the Americans were in no position to supply them with the goods which they needed, in which statement he was indeed not far from the truth.³⁸ The attitude of the Sauk and Fox tribes caused considerable anxiety late in 1778 and in 1779, when it was feared that Clark would move against the posts on the lakes. An agent was sent to them in order to secure their attachment if possible. They were inclined to make light of his threats to shut off their trade if they continued to hold intercourse with the Americans, but De Peyster expressed the opinion that they would view the situation differently

³⁷After Hamilton's capture at Vincennes, Major Arent Schuyler De Peyster was transferred from Michillimackinac to Detroit, while Captain Patrick Sinclair became lieutenant-governor at the former post. In the winter of 1779 and 1780, Sinclair moved the fort of which he was in command from the mainland to an adjacent island. Haldimand insisted that the post continue to bear the name Michilimackinac, though that of the fort might be shortened to "Makinak." In the correspondence of the period the post continues to be referred to as "Michillimackinac." See Jean N. McIlwraith, *Sir Frederick Haldimand* (The Makers of Canada, VI), p. 161.

³⁸De Peyster to Haldimand, September 21, 1778, *Michigan Pioneer Collections*, IX, 371.

if their trade were actually discontinued.³⁹ A threat to discontinue trade was usually the final argument.

In the summer of 1779, representatives of a number of tribes living in the vicinity of Michillimackinac visited Quebec, and Haldimand warned them that unless they made an effort to keep their country clear of Americans, he would deprive them of all trade, for he did not propose to allow his people to go into the Indian country unless they could do so in safety.⁴⁰ But if a threat to stop the trade was an effective argument with the Indians when they became restive, it was no less important that friendly tribes should not suffer too much from restrictions necessitated by the war. The Indians frequently asked that traders be sent among them and to have refused their requests without some good reason which could be appreciated by the savage mind would have been the surest way of alienating their friendship.⁴¹

If the maintenance of the fur trade was essential from the standpoint of Indian diplomacy, there were on the other hand elements in the situation which rendered the very existence of this commerce a menace to British authority in the Great Lakes' region. The French traders in the Illinois country had taken the side of the Americans, almost to a man. It was natural that the attitude of those who still remained subject to British authority in the upper country should have been a source of much anxiety. They lived in considerable numbers at the posts and were also scattered throughout the interior, where they exercised great influence over the Indians, and the British commanders needed to exert the utmost vigilance in order to prevent them from spreading treasonable reports among the tribes which were wavering in their loyalty.⁴² There was also grave danger that in case the Amer-

³⁹(Same to same), May 13, 1779, *ibid.*, p. 381.

⁴⁰Speech to the Indians, July 2, 1779, *Michigan Pioneer and Historical Collections*, XIX, 444.

⁴¹See, for example, De Peyster to Sinclair, September 17, 1780, *Michigan Pioneer Collections*, IX, 617.

⁴²It is doubtful whether the traders actually drawing their supplies from the British posts carried on any very considerable intrigues among the Indians but the activities of those living in the region occupied by Clark caused much apprehension. Clark himself speaks of the effective aid rendered by French traders in securing the friendship of the Indians. See p. 56, De Peyster to Haldimand, June 27, 1779, May 17, 1780, August 31, 1780, *Michigan Pioneer Collections*, IX, 389; X, 395, 424.

icans were to attack either Detroit or Michillimackinac, the French traders would rise against the garrisons. There was on the other hand some reason to suppose that their business connections with Montreal might prevent them from undertaking hostilities against the British.⁴³

Another danger was the possibility that goods might be carried to the Americans in the Illinois country under the guise of the fur trade. Large quantities of ammunition and merchandise were annually carried into the Indian country and there was considerable apprehension lest some of these supplies should reach the Americans either by accident or design. At first glance it would appear as though the amount of ammunition or other goods which might fall into the hands of the invaders would be so small as to be of little consequence. It should be remembered, however, that the forces of both sides in the Northwest were comparatively small, Clark's army of occupation numbering but two hundred men. To a force of that size, a very few canoe loads of goods would be of the utmost value. Guns and ammunition were the most important articles employed in the fur trade and the Americans would of course welcome an opportunity to secure supplies of this sort. The British commanders also feared that any accumulation of merchandise at the posts in the upper country might lead to an attack by the Americans.⁴⁴

This precarious situation rendered it necessary to subject the commerce of the Great Lakes' region to most stringent regulation. Early in 1778, even before Clark's expedition, Lieutenant-governor Hamilton considered it advisable to call in the traders from Sandusky, because he suspected they were communicating with the Virginians. He proposed to allow only responsible persons to go out among the Indians "and gradually to withdraw all petty traders from every post as a trifling advantage or a scurvy bribe can generally purchase their sordid souls."⁴⁵ Carleton's order of

⁴³De Peyster to Haldimand, May 13, 1779, *Michigan Pioneer Collections*, IX, 381. Sinclair compelled all traders, British and Canadian, resorting to the post of Michillimackinac, to take an oath of allegiance before going into the Indian country. Sinclair to Brehm, October 7, 1779, *ibid.*, p. 526.

⁴⁴Haldimand to Bolton, December 25, 1778, *Michigan Pioneer and Historical Collections*, XIX, 367.

⁴⁵Hamilton to Carleton, September 16, 1778, *Michigan Pioneer Collections*, IX, 476.

1777 prohibiting all vessels save those armed and manned by the crown has already been mentioned, and this policy was continued throughout the war. Governor Haldimand also exercised great care in granting passports for the transportation of merchandise to the upper country and British officers had orders to be on the alert when there was any doubt as to the ownership or destination of a cargo of goods.

Hamilton's unfortunate expedition to Vincennes, together with the uncertain state of affairs in the upper country, led Haldimand to postpone the granting of passports for the trade in the spring of 1779. Commanders at the upper posts had orders to stop any trader attempting to pass without a license and seize his goods, in accordance with the provisions of the ordinance of 1777. The instructions were rigidly enforced in the case of one Joseph Howard, a merchant who arrived at Michillimackinac without a pass in the spring of 1779.⁴⁶ These restrictions, however necessary they may have been from the military standpoint, were nevertheless attended by serious inconvenience to commerce. The merchants trading to the northwest of Lake Superior were accustomed to send provisions in sailing vessels to the traders and *engagés* living in that region; but the regulations concerning the navigation of the lakes made it exceedingly difficult to do so.⁴⁷ The merchants of Detroit also complained of the delays which they suffered from the transportation of their goods in the King's ships. Military stores took precedence over merchants' goods, with the result that the latter accumulated at the carrying places at Carleton Island or Niagara where they were exposed to the weather and occasionally stolen.⁴⁸ While Haldimand regarded the safety of the posts as of more importance than the welfare of the fur trade, still he granted the merchants such liberty as was not inconsistent with military necessity and sought at all times to obtain accurate information concerning the general character of the trade, in order that it might be hampered no more than was absolutely necessary.

⁴⁶Haldimand to De Peyster, April 18, 1779, *ibid.*, p. 357; De Peyster to Haldimand, June 14, 1779, *ibid.*, p. 383.

⁴⁷Petition from the North-West Traders, May 11, 1780, *Canadian Archives, Report*, 1888, p. 61; Haldimand to Brehm, May 7, 1779, *Michigan Pioneer and Historical Collections*, XIX, 403.

⁴⁸Petition of the Merchants of Detroit, January 5, 1780, *ibid.*, p. 492.

After the West became the theater of military operations, the commandants at Detroit and Michillimackinac were obliged to exercise the greatest care in granting permission to go out into the Indian country, in order to prevent the savages from being tampered with and to keep traders from communicating with the enemy. As soon as news of the American invasion of the Illinois country reached Lieutenant-governor De Peyster at Michillimackinac, he ordered the traders who were on their way down the Mississippi to turn back.⁴⁹ Commerce with the Illinois country was of course shut off altogether while that carried on in the region of the upper Mississippi was greatly restricted. Writing from Michillimackinac in August of 1780, Sinclair said that he should be obliged to stop anyone from going into the country south of Lake Superior for some months, in order to prevent disaffected Indians from being supplied with goods.⁵⁰ The following spring, Haldimand considered it safe to relax a little from the strict regulations of the preceding year and instructed Sinclair to further the trade to the Northwest by way of Lake Superior so far as possible. The commandant was to continue to use his own discretion with regard to the granting of permission for the Mississippi trade.⁵¹ Equal care was necessary in the country dependent upon Detroit. De Peyster, after his transfer to Detroit, proposed in 1780 to recall all but one trader from the Miami Indians, the favored individual who was to remain being one Beaubin "whom the people of Post Vincent wish to hang."⁵² In spite of the restrictions which were considered necessary, it was constantly recognized that the Indians could not be entirely deprived of trade without danger

⁴⁹De Peyster to Haldimand, October 7, 1778, *Michigan Pioneer Collections*, IX, 373.

⁵⁰Sinclair to Haldimand, August 2, 1780, *ibid.*, p. 570.

⁵¹Haldimand to Sinclair, undated, though clearly written in the spring of 1781, *op. cit.*, X, p. 477. Certain French-Canadian traders resorting to Michillimackinac protested to Haldimand against the partiality which they claimed was shown the traders operating to the northwest of Lake Superior. It is apparent from this memorial, which was probably drawn up in 1780, that there was some feeling still existing between the French, the English, and Scotch traders. "Plan d'un Mémoire a présenter a Son Excellence par les Voyageurs Canadiens dans la partie Du Sud des Pais d'En haut," *Canadian Archives, series B*, XCIX, 173.

⁵²De Peyster to Haldimand, November 16, 1780, *Michigan Pioneer Collections*, X, 449.

of losing their friendship. The necessity for some means of controlling the activities of those going into the Indian country led to the establishment of a general store at Michillimackinac on July 1, 1779. Persons properly qualified to carry on the trade of the interior were chosen by the merchants, subject to the approval of the commandant of the post. The plan seems to have been successful, for De Peyster said that it enabled him to send out of the Indian country all unreliable traders, including those who failed to pay their debts and were suspected of wanting to go over to the Americans.⁵³

It had been Clark's hope to capture Detroit after the occupation of the Illinois country and from 1779 to 1782, he was working and planning with that object more or less definitely in view. All his plans miscarried, however, and in 1780 and 1781, the situation in the West even compelled him to withdraw the troops from the Illinois and from Vincennes.⁵⁴ Meanwhile, it would be impossible even so much as to mention all the raids, participated in by Indians, traders, and militia, which harried the Northwest during these years. The region became a sort of "no-man's land," in which there were no clearly defined limits to the political and military authority of either the British or the Americans. Spain's declaration of war on Great Britain on May 8, 1779, injected a new element into the already chaotic situation.⁵⁵ There is no lack of evidence that one of the prizes for which the three nations were more or less consciously striving was the fur trade of the region of the upper Mississippi.

In 1780 the British planned a general attack on all the Spanish posts on the Mississippi, with the twofold object of capturing New Orleans and securing possession of the fur trade of the Missouri. British forces were to advance from the north and from the south, Pensacola, Michillimackinac, and Detroit being the respective bases of operations. The Spaniards were able to forestall the southern attack and the operation based upon Detroit

⁵³Articles Relative to the Establishment of a General Store at Michillimackinac, July 1, 1779, *ibid.*, p. 305; De Peyster to Haldimand, October 5, 1779, *ibid.*, IX, 398.

⁵⁴Alvord, *The Illinois Country*, p. 348, 352.

⁵⁵Justin Winsor, *Narrative and Critical History of America*, VI, 738.

proved to be a fiasco.⁵⁶ The expedition from Michillimackinac, while it failed of its object, is typical of the sort of warfare which characterized the closing years of the Revolution in the Northwest.

Lieutenant-governor Sinclair organized two forces, one of which was to descend the Mississippi and capture St. Louis, while the other invaded the Illinois country by way of the Chicago. The Mississippi traders, knowing the extent to which their interests were involved, were active in assembling the Indians, while many of them accompanied the expedition in person, along with their *engagés*. Sinclair urged upon the traders the prospect of securing possession of the commerce of the Missouri. He proposed to reward those who should assist in the capture of the Spanish posts by granting them a monopoly of the trade of the Missouri and he also undertook to forward their canoes from Michillimackinac. Sinclair likewise expected that the prospect of the booty to be captured at St. Louis, as well as the memory of the many injuries which the traders had sustained at the hands of the Spaniards in upper Louisiana, would furnish additional incentives.⁵⁷

The attack on St. Louis was a failure and the expedition which invaded the Illinois country met with no better success. Though the outcome was disastrous from a military standpoint, Sinclair philosophically professed to see certain minor benefits resulting from the effort. He felt that the traders who refused to aid in the enterprise could no longer reasonably find fault with the restrictions to which they were subject so long as the enemy occupied the Illinois country. This was a rather important consideration in the eyes of the commandant, who was harassed by the importunities of the traders who were continually demanding permission to go into the interior.⁵⁸

The region south of the Great Lakes was the scene of various raids in 1780 and 1781, in which British traders sustained consider-

⁵⁶Alvord, *The Illinois Country*, p. 348, 349; James A. James, "To What Extent was George Rogers Clark in Military Control of the Northwest at the Close of the American Revolution?" in *American Historical Association, Annual Report*, 1917, pp. 317-319.

⁵⁷Sinclair to Haldimand, February 15, 1780, *Michigan Pioneer Collections*, IX, 544; Sinclair to Brehm, February 15, 1780, *ibid.*, p. 542; Sinclair to Haldimand, February 17, 1780, *ibid.*, p. 546; (same to same), May 29, 1780, *ibid.*, p. 549.

⁵⁸Sinclair to Haldimand, July 8, 1780, *ibid.*, p. 558.

able losses. These forays were of no real military importance, and from the British standpoint were simply irritating occurrences, important chiefly in their relation to trade and Indian affairs. General Haldimand regarded them as additional proof of the undesirability of permitting goods to be carried into the more remote parts of the interior, where they could not be protected by British troops.⁵⁹ When hostilities ceased, neither side was in firm possession of the Northwest. The Americans south of the Ohio faced the British garrisons on the lakes, while the intervening territory was in the hands of Indian traders and partisans. The political and commercial destinies of the region were yet to be determined.

It is difficult to say precisely what effect the war had upon the volume of commerce in the Great Lakes' region. Returns of the licenses issued to British traders in Canada during the years from 1777 to 1783 show some variations that are of interest, however. So far as may be judged from the quantity of goods transported to the upper country, the high water mark of the trade during the period of actual hostilities was reached in 1778. In that year licenses were issued for 152 canoes and 374 bateaux, with goods valued at £191,013, currency. This was a considerable advance beyond the record of the preceding year, when 155 canoes and 312 bateaux departed for the Indian country with goods to the value of £176,665. The year 1779 saw a tremendous decline in the quantity of merchandise sent to the upper country. Passes were granted for but seventy-seven canoes, with cargoes valued at £41,355. Clark's invasion of the Northwest was responsible for the iron-clad regulations which were the cause of this decline. Returns for the ensuing four years show a large increase in the volume of commerce. The value of the goods sent up from Montreal in 1783, in fact, was greater than for any other year of the war. The cessation of hostilities and the prospect of an early peace were largely responsible for this increase.⁶⁰

The returns of furs exported from the province of Quebec during the Revolution bear little relation to the amount of merchandise sent up from Montreal, nor do they reveal any fluctua-

⁵⁹Haldimand to De Peyster, April 10, 1781, *ibid.*, X, 465.

⁶⁰Canadian Archives, *Returns of Indian Trade Licenses*. It is probable that the valuations given in these returns are in pounds, New York currency.

tions which can be traced to the varying fortunes of war. There is no indication that the fur traffic as a whole suffered greatly from hostilities, for the returns from 1775 to 1783 are uniformly greater than for the seven years which preceded the Revolution. In spite of the disorganization of trade which Clark's invasion necessarily occasioned, the commerce of the Great Lakes' region does not appear to have suffered material injury, if the returns of furs exported to Great Britain are any indication of the true state of affairs.⁶¹ It is certain, however, that the returns would have been larger if the country had remained at peace. Clark's invasion drove the British traders back toward the military posts in the Great Lakes' region and, as has been pointed out, the disorder which ensued necessarily had its effect upon commerce. Even the ruin of the trade of the Illinois country, however, was not a dead loss to the British since a considerable part of it had found its outlet in the Spanish market at New Orleans. The trade appears in fact to have suffered more from the precautionary measures adopted by the British than from actual hostilities. Though the returns in peltry would doubtless have been larger if there had been peace instead of war, it is nevertheless true that British commerce in the Great Lakes' region was far from languishing.

The British had succeeded remarkably in performing the task which confronted them in the Northwest upon the outbreak of the Revolution. They were able to hold the posts and the long line of communication extending from Montreal to the upper country, and at the same time to preserve the fur trade and with it the friendship of the Indian tribes. Though the Virginians occupied the Illinois country and Vincennes for a time, the position of the British upon the Great Lakes was unimpaired at the close of the war. The history of the fur trade during the Revolution illustrates remarkably well the close relation between Indian trade and politics. American agents were hampered in their dealings with

⁶¹Statistics of the Trade of Quebec, 1768-1783, in "Calendar of Haldimand Collection," III, 12, *Canadian Archives, Report*, 1888. These returns, however, include the peltry gathered in the country northwest of Lake Superior, which was unaffected by the war. Then, too, it must be remembered that prior to the Revolution, many furs from the Great Lakes' region found an outlet by way of Schenectady and Albany and were carried to New York. The war diverted all this trade through Montreal, which may to a certain extent account for the large returns from the province of Quebec during this period.

the savages by a lack of goods with which to carry on trade. The fact that the British were able to maintain commercial relations with the Indians of the Northwest accounts in large measure for their ascendancy in that region during the war and the years which followed. The British laid the foundations of their monopoly of the fur trade during the Revolution, a monopoly which they had no idea of giving up after hostilities had ceased and the country south of the Great Lakes had been yielded by treaty to the Americans.

CHAPTER III

BIG BUSINESS AND THE TREATY OF 1783

The prospects of the merchants of Canada seemed brighter toward the close of hostilities than they had at the beginning of the Revolutionary conflict. In spite of the vicissitudes of the war in the Northwest, their trade had suffered no permanent injury, while the competition of the southern colonies was a thing of the past.¹ British military and political authority upon the lakes was unshaken. The future would depend largely upon the disposition of the western country effected by the terms of peace, and it was the hope of all who were engaged in the fur trade that these terms might be established on the basis of the military situation as it existed in 1782.

The Treaty of 1783 contains no mention of the fur trade, but certain aspects of the question were discussed at some length in London and Paris during the period of negotiation, and a careful study of these discussions is essential to an understanding of the course of events in the Northwest following the Revolution. The significant factors are to be found, not in any immediate effects of the treaty itself, but rather in the attitude of the British ministry and of the Canadian and London merchants interested in the fur trade.

The negotiations at Paris may for the present purpose be resolved into two distinct phases: the period from the spring of 1782 to February, 1783, during which Lord Shelburne was directing the negotiations through Richard Oswald and his associates; and the period from April to September, 1783, when Charles James Fox and Lord North were at the head of affairs in England and David Hartley was their chief representative in Paris. In the negotiations which preceded the signing of the preliminary articles of peace, broad considerations of politics and diplomacy determined the attitude of the British ministry, rather than any concern for those who were engaged in the Canadian fur trade.

¹The trade at once picked up with the cessation of hostilities. In 1782, licenses were granted for 120 canoes and 250 bateaux, loaded with goods valued at £184,055 currency. The following year there were licensed 126 canoes and 321 bateaux, carrying goods to the value of £226,922. *Returns of Indian Trade Licenses.*

Later, however, under the new ministry, efforts were made to safeguard the commercial interests of the Northwest.

The overthrow of Lord North in March of 1782 was followed by the formation of a ministry under Lord Rockingham, in which Shelburne held the post of secretary of state for the colonies. The death of Rockingham on July 1 was followed by a reorganization of the ministry under Lord Shelburne. The change of policy thus effected was momentous, for it became Shelburne's purpose above all else to conciliate the former colonies and thus win them from France, to attain which end he was willing to make far-reaching concessions.² As early as April, 1782, while Shelburne and Fox, the foreign secretary, were in the midst of their contention over the question as to who should be responsible for the conduct of negotiations,³ Shelburne sent Oswald on an unofficial mission to Benjamin Franklin, at Paris. During the course of informal conversations, Franklin advanced the suggestion that England should cede Canada to the United States.⁴

Lord Shelburne declared that Franklin's suggestion with regard to the cession of Canada was out of the question. Franklin, however, recurred to the subject on July 10 in a communication to Oswald, when he outlined the conditions which he believed might be made the basis of peace and of future amicable relations between the United States and Great Britain. Among the conditions which he mentioned as absolutely essential to an understanding between the two countries, he included the restriction of Canada to the boundaries which it had possessed before the passage of the Quebec Act. He went even further and suggested that the cession of all the northern province would be desirable. Oswald made no particular objection to Franklin's proposals and transmitted them to Shelburne. In August, Franklin⁵ again urged the desirability of ceding Canada and so effective were his arguments that Oswald

²Justin Winsor, *Narrative and Critical History of America*, VII, 96, 97, 105; Paul C. Phillips, *The West in the Diplomacy of the American Revolution*, p. 216.

³Prior to Rockingham's death, Shelburne claimed that the task of negotiating peace came within his province as colonial secretary, while Fox, as foreign secretary, maintained that it came within his.

⁴Winsor, *op. cit.*, p. 100.

⁵Besides Franklin, the American commissioners chiefly responsible for the negotiations were John Jay and John Adams. Henry Laurens also signed the preliminary articles, but not the final treaty.

was persuaded to advise the acceptance of his proposal.⁶ Franklin argued that Canada was of no value to Great Britain except for the fur trade and that it would be the part of wisdom for the ministry voluntarily to surrender any advantage in that regard for the sake of winning the friendship of the Americans.⁷ On September 1, even before receiving Oswald's recommendations, the ministry decided to accept the conditions which Franklin in his letter of July 10 had specified as essential to peace. The independence of the colonies was recognized and while the cession of all of Canada was refused, it was agreed that the limits of the province should be what they were before the passage of the Quebec Act.⁸ A little later the ministry attempted to stipulate that a portion of the Northwest should be reserved for loyalist settlers, but the American commissioners would consent to nothing less than the unconditional cession of the territory in question.⁹ After Great Britain's acceptance of the general principle of the territorial settlement, the American commissioners offered a choice of two northern boundaries, the first extending from the intersection of the forty-fifth parallel with the Connecticut River due west to the Mississippi; the second, running west on the forty-fifth parallel to the St. Lawrence, thence through the middle of the Great Lakes and ending near the sources of the Mississippi. Great Britain chose the latter.¹⁰

On November 20, 1782, after seemingly interminable delays, the preliminary articles were signed by the commissioners of the United States and Great Britain at Paris. The terms of the provisional treaty are too familiar to require extended discussion. The articles of importance to those engaged in the fur trade were the second and eighth, containing provisions relating to the

⁶Winsor, *op. cit.*, p. 101, 109; Edmund Fitzmaurice, *Life of Shelburne*, II, 165-167; Phillips, p. 216, 217.

⁷"Notes of a conversation between Mr. Oswald and Dr. Franklin," in *Lansdowne Manuscripts*, LXXXVII, 183, 184 (Transcripts in Canadian Archives).

⁸Fitzmaurice, *op. cit.*, p. 173; Phillips, *op. cit.*, p. 218. Townshend's despatch to Oswald outlining the concessions of the ministry is dated September 1, 1782. Townshend was secretary for home and colonial affairs under Shelburne.

⁹Fitzmaurice, *op. cit.*, p. 192.

¹⁰Phillips, *op. cit.*, p. 222.

drawing of the boundary and the navigation of the Mississippi.¹¹ That portion of the second article defining the boundary between the United States and Canada would, if confirmed, yield to the United States the region south of the Great Lakes, including the posts of Oswego, Niagara, Detroit, and Michillimackinac, which had long controlled the fur trade of the upper country. Grand Portage, which was situated near the western end of Lake Superior and had become the rendezvous of the trade to the far Northwest, would fall to the United States.¹² The eighth article provided for the free navigation of the Mississippi by both countries. This was of considerable importance from the point of view of the fur trade, since the stream was one of the great commercial highways of the Northwest; but nothing was said concerning freedom of communication between the Great Lakes and the Mississippi. The seventh article provided that British garrisons should be withdrawn from the territory of the United States "with all convenient speed."

There is no evidence that the Shelburne ministry took any account of the fur trade in the negotiation of the preliminary articles. The greater part of the territory dependent upon the posts of Detroit and Michillimackinac, the trade of which had an annual value of thousands of pounds, was provisionally given up to the Americans. It is true that under the terms of the treaty, the region lying northwest of Lake Superior remained under British control, and this was a more valuable fur-bearing area than the territory ceded to the United States. It should be remembered, however, that the approaches to this region were controlled by the ceded posts. When it is recalled that almost without exception, the important posts on the Great Lakes were just within American territory, it is fairly obvious that the attention of the British ministers had been absorbed by other and weightier considerations than the fur trade.

It was not long, however, before the most forcible representations were made to the British authorities, calling their atten-

¹¹For the text of the provisional articles, see William M. Malloy, *Treaties and Conventions, 1776-1909*, I, 580.

¹²There was some ambiguity in the description of the extreme northwestern boundary, owing to the lack of accurate maps; at the same time there was little doubt in the minds of those best informed that Grand Portage would fall within the limits of the United States.

tion to the disastrous effects which the proposed treaty would have upon the fur trade. As early as October, 1782, before any definite news could have reached him concerning the probable terms of the treaty, General Haldimand sent a word of warning to Thomas Townshend, the home secretary, urging that in case peace were concluded with the revolting colonies, Niagara and Oswego should be retained by Great Britain for the purpose of controlling the fur trade.¹³ Haldimand was of the opinion that as soon as the war was over, the Americans would attempt to draw the trade into the old route leading down from the lakes by way of the Mohawk River and Albany. The Canadian and British merchants who were engaged in the fur trade took vigorous steps to bring to the attention of the ministry the way in which the treaty, if ratified, would affect their interests. Late in January, 1783, a memorial signed by six merchants interested in the Canada trade was transmitted to Lord Shelburne.¹⁴ In it were enumerated the forts and carrying places which would be given up by the treaty and attention was called to the fact that the article stipulating for the free navigation of the Mississippi was of little real value because the river was not navigable as far as the Canadian boundary.¹⁵ Furthermore, no permission was given British traders to land goods on either the Spanish or the American side of the Mississippi, without which right the mere navigation of the stream would be worthless. The conclusion of the merchants was to the effect that the treaty in its existing form would entirely cut off the fur trade from the province of Quebec.

¹³Haldimand to Townshend, October 25, 1782, *Michigan Pioneer Collections*, X, 668.

¹⁴Representation of Canada Merchants to Lord Shelburne, *Lansdowne Manuscripts*, LXXII, 459-462. The paper bears the endorsement, "Representation of the Quebec Merchants, 31 Jany. 1783." The memorial was signed by the following "Committee of Canada Merchts.:" Messrs. Rashleigh, Strahan (Strachan?), Elliot, Sansom, Todd, and Paterson. The Todd and Paterson whose names appear were probably identical with the Montreal merchants of those names who were engaged in the northwest trade, for the names of Isaac Todd and Charles Paterson were signed to another memorial a few days later. They appear to have been in England at this time, working with their London correspondents to secure a change in the boundaries.

¹⁵It was supposed at this time that the sources of the Mississippi would be found to be within Canadian territory.

A few days later, a group of merchants interested in the fur trade held a conference with Oswald, who was then in London.¹⁶ They made representations similar to those contained in the memorial to Lord Shelburne which has just been described, adding that they had about £200,000 worth of merchandise in the Indian country which according to the terms of the treaty was left at the mercy of the Americans, inasmuch as the latter would be able to prescribe the conditions under which it should be sold. Oswald replied that there was nothing in the treaty which could operate to shut off the trade of the British merchants, as the Indians might carry their furs to market on either side of the boundary and the Americans could not prevent them even were they so inclined. As to the carrying places which were within the American line, there was nothing in the treaty which could prevent British traders from making free use of them. So far as the goods of the merchants were concerned, they were in no more danger than if they were in England. On the subject of the posts which were to be surrendered, Oswald replied,

"The Forts are garisoned by Troops from Quebec: being designed for the Security of the Merchandize at those Depôts, the Americans will be thankful to be saved the Expence of those little Garrisons; and cannot grudge the benefit of common protection to the English—or we may carry the Garrisons to our Side the Lake or Water passage,—if we think proper to remove them."

After outlining the objections of the merchants to the treaty and his own reply thereto, Oswald continued in his memorandum as follows:

"In some such manner as above, I replied to the Sundry Objections of the Canada Merchants. And I took the liberty besides, in the way of conversation to tell them, That I was sensible their Trade would take a different turn hereafter—as the peace would let in many competitors upon them, as well Americans as English; and so as their Furs would cost them at least 50 p cent more; as soon as it was known in America that the War was over, and the people in New York & Philadelphia were supplied in

¹⁶An account of the interview, apparently in Oswald's own words, is to be found in the *Lansdowne Manuscripts*, LXXXVII, 215-218, and in the *Chatham Manuscripts*, Bundle 343. The manuscript in the former collection bears the following endorsement: "Sundry Observations on ye American Treaty, 6th February, 1783." The quotations follow the text of the document contained in the *Chatham Manuscripts*.

Merchandize fit for the Indian Trade. But this was all fair—They (the Americans) had no view to a monopoly—They could not maintain it, any more than we could, as the Indians could go to either side at their pleasure with as little difficulty, as one may go out of Middlesex into Essex.”

Oswald declared that in all his conversations with them, the American commissioners had professed a strong desire that friendly commercial relations should subsist between the English and themselves. He informed the merchants that the first plan of a treaty, sent over in October, contained a clause providing that with regard to commercial privileges, an Englishman in America should be considered as an American, and an American in England as an Englishman, but that the ministry had thought proper to leave the matter to be settled by a treaty of commerce. He showed the merchants a duplicate of this proposal, with which they professed to be satisfied, although they suggested that Oswald carry a memorandum stating their wishes to the American commissioners at Paris, in order that the latter might recommend that Congress enact measures which should ensure the safety of their property in the Indian country. Oswald promised to take charge of their memorandum and to call the attention of the commissioners to the matters contained therein. He proposed, however, to make the recommendation as coming from himself rather than from the merchants, in order that the commissioners might not receive the impression that the English people doubted their good faith. Oswald says that the merchants promised to inform “the Minister,” doubtless meaning Lord Shelburne, that they were perfectly satisfied.

There is much doubt as to the degree of their satisfaction, however. The attitude of both Shelburne and Oswald was such as to convince the merchants that there was no possibility of securing a change in the boundary between the United States and Canada, and they must have departed after their conversation with Oswald feeling that he was merely putting them off with soft words. They continued to manifest a good deal of anxiety concerning the safety of their property in the Indian country. On February 6, very soon after the conversation which has just been described, a group of eight merchants met at the New York Coffee House in London and drew up a set of regulations designed to safeguard their effects

in the region about to be ceded.¹⁷ They wished these proposals to be made a part of the definitive treaty, or if that were impossible, to be made the subject of a separate treaty. The first of the proposals submitted by the merchants was to the effect that the forts at Carleton Island, Niagara, Michillimackinac, and Detroit should be retained by Great Britain for a period of three years, in order that British traders might have time to settle their affairs and withdraw their goods and property from the upper country. The merchants urged the measure on the ground that if the posts were surrendered at once, there was grave danger that the Indians, led by hope of plunder and a feeling of resentment toward the British for having given up their lands, would fall upon the traders and their property. They were doubtless thinking of the horrors which had attended the Conspiracy of Pontiac, twenty years before. They also pointed out that because of the danger from the Indians, it would be to the best interests of the Americans not to attempt to occupy the posts at once. The second proposal of the merchants was to the effect that after the withdrawal of the British garrisons, the traders of both countries should enjoy equal privileges with respect to the transportation of goods across the different carrying places and with respect to the navigation of the lakes and rivers in the Indian country.

Lord Shelburne, however, was facing a much more serious task than that of safeguarding the interests of a group of peltry merchants. The opposition in Parliament was marshalling its forces for an attack on the proposed treaty and Shelburne was busily engaged in preparing to resist the onset. It would be interesting to know just how the Canadian merchants and their friends occupied themselves during these critical days. Suffice it to say

¹⁷Canada Merchants to Lord Shelburne, February 6, 1783, *Lansdowne Manuscripts*, LXXII, 455-458. This memorial was accompanied by a paper entitled "Regulations proposed by the Merchants Interested in the Trade to the Province of Quebec to secure and withdraw their Property dispersed throughout that part of the Province now about to be ceded to the United States of America." *Ibid.*, pp. 463-466. The names of the merchants who signed the memorial are as follows: Robert Rashleigh, Robert Hunter, James Strachan, Alexander Ellice, John Fraser, Isaac Todd, Henry Callender, and Charles Paterson. The names of Rashleigh, Strachan, Todd, and Paterson were also signed to the memorial to Lord Shelburne relating to the boundary. See p. 72.

that when the parliamentary debate opened on February 17, the opposition was well supplied with information on the subject of the fur trade and the probable effects of the proposed treaty thereupon. It is true that a study of the course of the debate gives the impression that the opposition was interested primarily in overthrowing the ministry and destroying the treaty, rather than in the protection of any particular interest, commercial or otherwise; but any arguments which might in any way be used to discredit the handiwork of Shelburne and his followers were welcomed.

It was pointed out to begin with that the treaty surrendered the most valuable part of the fur trade to the Americans and delivered the friendly Indian nations of the ceded territory into the hands of their late enemies. Lord North deprecated the surrender of the western posts, upon which such vast sums of money had been spent and which were so essential to the control of the commerce of the Northwest.¹⁸ The Earl of Carlisle urged that the proposed boundary virtually yielded all of Canada to the Americans, for of what value could Montreal and Quebec alone be, since they were only ports for the commerce of the region which was ceded to the United States? He pointed out that all of Lake Michigan was given up, out of which came two thirds of the fur trade of Canada!¹⁹ The article stipulating for the free navigation of the Mississippi was ridiculed because it contained no provision guaranteeing British traders access to the stream.²⁰ Viscount Townshend voiced the sentiment of the opposition when he declared that the American commissioners had been too cunning for Oswald. "Why," he asked, "could not some man from Canada, or respectable Canadian merchant, well acquainted with the country, have been thought of for the business which Mr. Oswald had been sent to negotiate?"²¹ Why not, indeed! Is it possible that the Viscount had been talking to the merchants who made the New York Coffee House their rendezvous?

The keynote of the defense against the attacks of the opposition was sounded by Thomas Townshend in the House of

¹⁸Hansard, *Parliamentary History*, XXIII, 450.

¹⁹*Ibid.*, p. 377, 378. The Earl of course greatly over-estimated the importance of the trade carried on by way of Lake Michigan.

²⁰*Ibid.*, p. 382, 400, 452.

²¹*Ibid.*, p. 391.

Commons when he declared that while those engaged in the fur trade might raise a clamor against the treaty because of its effect on their business, still the interests of all the people must be taken into account. The trade, moreover, was not so greatly injured by the drawing of the boundaries as some were inclined to believe. Enough of Canada was left to ensure the preservation of a considerable part of the trade to England, while as a matter of fact, the most valuable furs came from the region north of the boundary, which was not being given up. Replying to the charge that the treaty surrendered the posts which had been erected and maintained at so great an expense, Townshend rather sarcastically remarked that the building of these very forts had been one of the great follies of Lord North's administration.²²

Lord Shelburne's own speech in defense of the treaty reveals how little he had been impressed by the arguments of the merchants.²³ He maintained that the commerce of the region in question was not worth nearly the expense involved in retaining it. He cited statistics to prove his point, and came to the remarkable conclusion that England would annually gain £750,000 by the surrender of the territory against which the opposition was crying out. He placed the value of the imports from Canada to England, which would of course include all the furs which the country yielded, at only £50,000.²⁴ He declared that the preservation of this import trade of £50,000 annually cost the nation £800,000,

²²*Ibid.*, p. 465. Anything approaching an accurate estimate as to the relative value of the trade which would fall within American territory is impossible. James McGill, of the firm of Todd and McGill, of Montreal, estimated the total value of the Canadian fur trade in 1785 at £180,000 currency, of which £100,000 came from the American side of the line. This appears to represent an attempt at a reasonable estimate. McGill to Hamilton, August 1, 1785, *Canadian Archives, Report*, 1890, p. 56.

²³See Hansard, *op. cit.*, XXIII, 408-410.

²⁴*Ibid.*, p. 409. In studying these figures, one is almost tempted to conclude that Shelburne had in mind only the exports from that part of Canada which had been ceded to the Americans. But his language leaves little room for doubt that he was considering the trade of Canada as a whole. At least his colleagues understood that to be his meaning. See remarks of Lord Loughborough, *ibid.*, p. 423. Lord Walsingham, who was of the opposition, declared that England annually shipped to Canada goods to the value of £500,000, while he estimated the imports from Canada to England to be nearly half that amount. *Ibid.*, p. 383. The actual value of the Canada trade must have been somewhere between these extremes.

a statement which he offered to prove by vouchers which he carried in his pocket. Shelburne certainly under-estimated the value of the trade and probably exaggerated the expense of administering the ceded territory, or at least that portion of the expense which might properly be charged to the protection and maintenance of the fur trade. But this was neither the first occasion nor the last on which a statesman has adapted statistics to meet the exigencies of a political crisis. The comparison between the value of the trade and the expense of maintaining it seems scarcely a legitimate one, for it is altogether probable that the prime minister estimated the cost of maintaining the western posts on the basis of war conditions. Lord Hawke, a supporter of the ministry, stated the case more fairly, and probably expressed Shelburne's real views when he pertinently asked whether a monopoly of the fur trade was after all of so much importance when it might cause another war, and would be certain to alienate those whose good will had been purchased at the price of independence.²⁵ Lord Shelburne expressed the same idea years later in a letter to a friend, following the surrender of the northwest posts in accordance with Jay's Treaty:

"I cannot express to you the satisfaction I have felt in seeing the forts given up. I may tell you in confidence what may astonish you, as it did me, that up to the very last debate in the House of Lords, the Ministry did not appear to comprehend the policy upon which the boundary line was drawn, and persist in still considering it as a measure of necessity not of choice. However it is indifferent who understands it. The deed is done; and a strong foundation laid for eternal amity between England and America."²⁶

Some notes found in the Shelburne papers contain an outline of arguments in favor of the treaty, and besides throwing light upon the debate itself, they reflect the views of the ministry with regard to the probable future status of the fur trade under the terms of peace. Whether or not these are Shelburne's own notes, they probably come nearer revealing his true sentiments with regard to the value of the commerce of the ceded territory than his speech in Parliament.²⁷ The line of argument was to the effect that

²⁵Hansard, *op. cit.*, p. 389.

²⁶Shelburne to Jackson, March 5, 1797. Extract in Fitzmaurice, *op. cit.*, II, 201, n. 2.

²⁷*Lansdowne Manuscripts*, LXXXVII, 224, 225, 209-214. There are two papers containing notes on the treaty, one of which is endorsed "Particular

the fur trade was an industry of a temporary nature and one in which it was difficult to prevent competition. It would be impossible and absurd to endeavor to maintain any trade by means of forts, naval establishments, or presents, particularly that of Canada; moreover, no merchant would be willing to accept the province and its trade on condition that he bear the expense incident to the war. With regard to the value of the exports from England to Canada, the gross amount including all branches of commerce had only been about £200,000 annually for the eleven years preceding the war. If the amount of this outgoing trade had increased during hostilities, it was only because of the supplies which the presence of the army and the naval establishment in the West demanded. During the war, moreover, Canada was the only channel for the Indian trade, while the restoration of peace would open other routes through the American colonies, and whatever the boundaries of the province might be, the Indians themselves would seek the market which they should find most advantageous. It was probable, on the other hand, that British traders would be given free access to the territory of the United States, and it was even possible that their commerce might be carried on through American territory by way of the Hudson River.

All efforts on the part of Shelburne and his followers to stay the rising tide of opposition were of no avail and on February 21, four days after the debate in Parliament which has been described, a vote of censure on the provisional articles of peace was carried in the House of Commons, 207 to 190. The cause of the ministry was lost and on February 24, Shelburne resigned. On April 2 a new ministry was called to power, the Duke of Portland becoming nominal head of the government, though the real control of affairs rested in the hands of a coalition between Fox, who became secretary of state for foreign affairs, and North, secretary for home and colonial affairs.²⁸ The accession of Fox and North marked the

Arguments," while the other is entitled "Remarks on y^e American Preliminaries." The latter is included in a bundle of papers labeled "Arguments for the Peace. Notes for a Speech." It is very likely that these are Shelburne's own notes. Their general import is similar to that of his argument in Parliament, though there is some difference in detail.

²⁸Winsor, *op. cit.*, p. 162; William Hunt, *Political History of England, 1760-1801*, p. 244, 245.

beginning of a new phase in the peace negotiations. David Hartley was sent to Paris to continue the work which Oswald had begun. In view of the nature of the attack upon the preliminary articles of peace, it is not surprising that the new ministry was disposed to listen more willingly to the proposals of the merchants engaged in the Canada trade than that of Shelburne had been. Little more than a week after the formation of the new government, Fox forwarded to Hartley a copy of a memorial submitted by the merchants interested in the fur trade.²⁹ While the names of the merchants are not available, there can be little doubt that they represented the same group which had previously been active. This conclusion is borne out by the fact that the proposals contained in the memorial are almost identical with those which had been submitted to Shelburne a few weeks before. Two of the "Regulations" were to the effect that the posts should continue in the possession of British troops for a period of three years, and that there should be equal and free use of the waterways and carrying places of the interior. There was also a third article providing that no tax or impost should be laid upon any article passing through the Indian country. Fox stated it as his belief that these proposals were "both important and desirable" and he added, "The three Articles are not so dependent one upon another but that it would be very desirable to obtain any one of them singly supposing the others not to be attainable."

The American and British commissioners at Paris spent considerable time discussing a temporary commercial convention which should open the ports of both countries, pending a final settlement. It was agreed on June 19 to abandon this project and the commissioners proceeded at once to the consideration of the definitive treaty. Hartley submitted to the American commissioners a paper entitled "Memorandums for the definitive treaty," containing six articles, five of which had an important bearing upon the future of the fur trade of Canada.³⁰ Article two provided that

²⁹Fox to Hartley, April 10, 1783, *Public Record Office, London, Foreign Office*, class 4, II, 17. Enclosed is the memorial, bearing the title "Regulations propos'd by the Merchants interested in the Trade to the Province of Quebec to secure and withdraw their Property dispersed throughout that part of the Province now about to be ceded to the United States of America."

³⁰Hartley to Fox, May 3, June 20, 1783, *Public Record Office, Foreign Office*, class 4, II, 87, 191. For the text of the articles, see "Hartley's Six

both British and Americans should enjoy free use of navigable waters and carrying places along the boundary; article three, that persons residing in those places adjoining the boundary which were ceded to the United States, and which were not within the limits of any single state, were to continue to enjoy full civil rights and to be free to pursue their respective occupations;³¹ article four, that the same privileges were to be accorded persons residing in places lying within the limits of a particular state until they should receive notice from the state authorities to remove, after which they should be allowed a period of three years in which to make the necessary arrangements and settle their affairs; article five, that British garrisons should continue to occupy the western posts for three years, in order to safeguard the lives and property of those living in the Great Lakes' region; and article six, that there should be no tax or impost on articles of commerce passing through the country, the trade being left free and open to all persons. Hartley himself stated that articles two, five, and six were based directly upon the proposals of the Quebec merchants; three and four were formulated upon his own initiative.

The American commissioners could not see their way clear to agree to all of Hartley's proposals and suggested certain changes in the articles.³² They were willing to concede the right to navigate the waters along the international boundary, but regulations concerning the use of carrying places and the navigation of waters within American territory were to be left to a commercial treaty; persons residing along the boundary were to remain in the enjoyment of full civil rights and were to continue in their respective occupations until their removal should be ordered by Congress or one of the states, after which two years might be allowed them to settle their affairs; British garrisons were to be permitted to occupy the posts only until Congress should give them notice to

Propositions for a Definitive Treaty," dated June 1, 1783, in Wharton, *Diplomatic Correspondence of the American Revolution*, VI, 469.

³¹This article was intended primarily to safeguard the interests of the merchants at Detroit and Michillimackinac.

³²"The Commissioners' Answers to Mr. Hartley's Six Propositions," in Wharton, *op. cit.*, p. 470.

evacuate and American garrisons should arrive;³³ and finally, the future status of the trade, so far as any tax or impost was concerned, should be left to a commercial treaty.

One very significant difference of opinion is revealed by the proposals and counter-proposals which have just been described. The British desired that a period of three years should elapse before the evacuation of the western posts; the Americans insisted that they should be surrendered as soon as effective notice was given. The position of the American commissioners reflects the attitude assumed by Congress. There was a good deal of apprehension among the members of that body with respect to what was considered the vagueness of the provisional articles. Robert R. Livingston, secretary for foreign affairs, wrote to the American commissioners in April, complaining that there was as yet no apparent intention on the part of the British to withdraw their garrisons from the territory of the United States, and he feared that unless explicit provisions were inserted in the definitive treaty trouble was certain to follow.³⁴ On May 9, he wrote to Franklin, "Let me again entreat that no doubt may be left in the treaty relative to the time and manner of evacuating their posts here. Without more precision and accuracy in this than we find in the provisional articles we shall soon be involved in new disputes with Great Britain."³⁵ It is true that Livingston had principally in mind the failure of the British to evacuate New York, but any ambiguity in the treaty on this subject would of course apply equally to the posts along the boundary. On April 15, the date of the ratification of the provisional articles, Congress adopted a resolution directing the commander-in-chief to arrange with the commander of the British forces in America concerning the evacuation of the posts and garrisons under his control. It was Washington's understanding that the western posts were included within the

³³Both the British and the American commissioners appreciated the fact that there must be no interval between the evacuation of the posts by the British and the arrival of the American garrisons. The safety of those living in the interior could not be entrusted to the Indians.

³⁴Livingston to Adams, April 14, 1783, Wharton, *op. cit.*, p. 374; Livingston to the Peace Commissioners, April 21, 1783, *ibid.*, p. 386.

³⁵*Ibid.*, p. 418.

scope of the resolution.³⁶ Thus it was clearly the duty of the American commissioners to secure if possible a definite agreement with regard to the evacuation of these posts.

The negotiations seemed to drag on interminably. Hartley lacked full powers and was obliged to refer back to his home government every proposal which was discussed. On July 17, the American commissioners informed him that the provisional articles had been ratified by the Congress of the United States and that they were ready to exchange ratifications. In the course of a discussion concerning certain matters to be provided for by the definitive treaty, they suggested that the western posts should be evacuated when notice was received from Congress. This proposal, it will be noted, was in line with their previous suggestion to Hartley, and with the expressed attitude of Congress.³⁷ The American commissioners at length submitted to Hartley a draft of a treaty dated July 27, 1783, consisting of nineteen articles.³⁸ Hartley transmitted the draft to Fox on August 6, requesting the latter to indicate specifically those articles which he was empowered to sign. He designated the several articles by the letters of the alphabet, in order to avoid confusion.³⁹ The fifteenth, sixteenth, and seventeenth articles related to the posts and to the commercial status of the Northwest and need to be carefully examined. The fifteenth article provided that the waters along the boundary might be freely used by citizens of both countries, the provision applying equally to the carrying places along the boundary and adjacent to it; moreover, there was to be no tax or impost of any sort on articles of trade, except such as the inhabitants of the respective countries were subject to. Article sixteen stipulated that persons living along the boundary were to enjoy full civil

³⁶ *Journals of Congress*, XXIV, 251; Washington to President of Congress, May 3, 1783, Ford, *Writings of Washington*, X, 239.

³⁷ American Commissioners to Hartley, July 17, 1783, Wharton, *op. cit.*, p. 556.

³⁸ Project for a Definitive Treaty of Peace, *ibid.*, p. 601. In their report to the President of Congress dated September 10, 1783, the American commissioners said with reference to their negotiations with Hartley: "We finally agreed that he should send to his court the project or draft of a treaty (No. 4)." According to the note in Wharton, "No. 4" was the draft of July 27. *Ibid.*, p. 688.

³⁹ Hartley to Fox, August 6, 1783, *Stevens Transcripts* (Library of Congress), Public Record Office, Foreign Correspondence, America, E R U 1 fo 323.

and commercial rights unless they should receive notice from Congress or one of the states to remove within seven years; and in case such notice were given, they were to be allowed two years in which to settle their affairs. Article seventeen provided that British garrisons might remain in possession of the posts only until Congress should give them notice to evacuate and American garrisons should arrive. It is reasonable to suppose that this draft met with the approval of Hartley, as well as of the American commissioners.

The climax of the many weeks of negotiation came suddenly and as a distinct surprise. Instead of replying at length to the project of the American commissioners, transmitted by Hartley, Fox stated in a communication dated August 9 that he was authorized by his Majesty to transmit a project for a definitive treaty which, if accepted by the Americans, was to be signed by Hartley without further instructions.⁴⁰ To the surprise of the Americans, this project proved to be almost identical with the original, provisional, articles.⁴¹ The explanation given by Fox for this surprising *dénouement* was that since the treaty was being concluded under the eye of France, matters relating to a closer understanding between the two nations ought to be a part of a separate agreement and thus presumably kept from the knowledge of outsiders. In transmitting Fox's proposal, Hartley merely suggested that everything relating to commerce, as well as other matters not dealt with in the original treaty, be left for future settlement between the diplomatic representatives of the two countries.

The American commissioners were confronted by a dilemma. Insistence upon a settlement of outstanding questions in the definitive treaty would lead to interminable delays. On the other hand, their task was but half completed and the questions left unsettled would inevitably lead to misunderstanding and trouble. The critical international situation and the unstable position of the British ministry were powerful arguments in favor of an immediate peace and Fox's proposal was accepted. Adams rather ruefully described the situation when he wrote to Elbridge Gerry, "Unhappily, when you reason with European ministers of state, you need be less

⁴⁰Fox to Hartley, August 9, 1783, *Stevens Transcripts*, I fo 401.

⁴¹A new preamble was added and the secret article concerning Florida was omitted.

anxious to inquire whether the measures are for the good of their country or not, than whether they are likely to preserve or forfeit their places."⁴² The definitive treaty was signed on September 3, 1783.

The future appeared full of uncertainty. Hartley, when notifying his chief that the American commissioners were willing to accept the project for the definitive treaty, had added, "They are willing to refer ulterior points to future negotiations."⁴³ These "ulterior points" were destined to give no end of trouble before they were settled. The formal report of the commissioners to the president of Congress referred to certain conversations with Hartley: "We have taken care to speak to him in strong terms on the subject of the evacuation of New York and the other important subjects proper to be mentioned to him. We think we may rely on his doing everything in his power to influence his court to do what they ought to do; but it does not appear that they have as yet formed any settled system for their conduct relative to the United States."⁴⁴ If, indeed, they had no settled purpose, the omissions of the final treaty left the way open for them to follow a policy of opportunism and delay.

At the time of the signing of the treaty, Hartley had assured the American commissioners that negotiations with reference to those questions which had been suspended would immediately be resumed, and there is no reason to doubt that both he and Fox intended that this should be done.⁴⁵ On November 1, after his return to England, he forwarded to Fox a carefully prepared memorandum dealing with the matters which had been covered in the proposed draft of July 27, but which were left unsettled in the final treaty.⁴⁶ Three of the articles taken up were those designated "P," "Q," and "R," corresponding to articles fifteen, sixteen, and seventeen of the draft of July 27. Article "P" had to do with freedom of communication on the waterways and carrying places of the Northwest; "Q" dealt with the civil and commercial

⁴²Adams to Gerry, August 15, 1783, Wharton, *op. cit.*, p. 651.

⁴³Hartley to Fox, August 13, 1783, *Stevens Transcripts, op. cit.*, fo 409.

⁴⁴American Commissioners to President of Congress, September 10, 1783, Wharton, *op. cit.*, p. 689.

⁴⁵Hartley to Fox, September 3, 1783, *Stevens Transcripts, op. cit.*, fo 425.

⁴⁶Hartley to Fox, November 1, 1783, *Public Record Office, Foreign Office*, Class 4, II, 477.

rights of persons residing along the boundary; while "R" stipulated that British garrisons might continue to occupy the posts until notified by Congress to evacuate and until American garrisons should arrive.⁴⁷ Hartley's comment should be noted: "I have only one remark to add, which is, that two of the Articles, viz Q and R, seem to require some speedy settlement, for the purpose of giving immediate security to the persons, properties, & rights of the british merchants, now engaged, or likely to be engaged in the trade to Canada and upon the waterline of division, between the territories of G Britain, & those of the United States. By any unnecessary delay in negotiating these articles, we may loose an opportunity of recovering very material advantages in the fur trade of Canada, and of the neighbouring Countries."

Fox and North were dismissed from office on December 18, 1783, and the coalition ministry was succeeded by that of Pitt, who held the offices of first lord of the treasury and chancellor of the exchequer. The Marquis of Carmarthen became secretary of state for foreign affairs. David Hartley continued in charge of the peace transactions and on May 12, 1784, he exchanged ratifications with the American commissioners. On the following day he wrote Lord Carmarthen, informing him of the event and bringing to his attention the questions remaining for settlement, among them those covered by the articles which have been described. He said that he had had many conferences with Fox relative to these questions and added, "These matters were suspended by Parliamentary business, & afterwards by the change of the administration."⁴⁸ The story of how the Pitt ministry dealt with the question of the northwest posts and the fur trade, however, belongs to another chapter.

The account of the negotiation of the treaty, even from the limited point of view of the commerce of the Northwest, has proved to be long and involved. Certain facts stand forth very clearly, however. In the first place, the British and Canadian merchants engaged in the fur trade believed that their interests had been very seriously compromised by the treaty, and they manifested a determination not to yield these interests without a

⁴⁷"P" and "R" are substantially the same as articles fifteen and seventeen of the draft of July 27; in "Q" a part of article sixteen has been omitted.

⁴⁸Hartley to Carmarthen, May 13, 1784, *Stevens Transcripts, op. cit.*, fo 549.

struggle. This attitude is a factor which must be constantly reckoned with in considering the commerce and diplomacy of the Great Lakes' region during the years which followed the conclusion of the formal peace.⁴⁹ Then again, the ministry of Fox and North, in response to the representations of the merchants, took the position that the question of the evacuation of the posts was closely related to the subject of the fur trade, and that the two matters ought to be settled simultaneously.

It is of the greatest significance from the diplomatic standpoint that both the British and the Americans recognized that the portion of the treaty relating to the evacuation of the posts on American soil was vague and indefinite. This feeling is proved by their abortive efforts to remove the ambiguity. The American commissioners insisted on the evacuation of the posts at the earliest practicable moment, while Hartley urged delay.⁵⁰ The words "with all convenient speed" were certain to be interpreted differently. So far as the evacuation of the posts was concerned, the seeds of dissension had been liberally sown. The negotiations also reveal that both parties recognized the necessity for an agreement concerning the respective rights of British and American traders in the regions adjoining the northern boundary. Since no

⁴⁹Robert Hunter, one of the most prominent of the London merchants engaged in the fur trade, makes some rather illuminating statements in a letter to Haldimand, dated March 27, 1783. He says, "The shamefull terms of peace that have been submitted to will particularly affect your Province—no person had the most distant Idea that the Americans wou'd ask, or that we shou'd give them the principal part with the Fur trade—as soon as this Article came to the knowledge of the Merchants, we applied to the Ministry for redress.— & have been told that the Boundary line cannot be alter'd—but that an equal participation of the Lakes carrying places &c will be allowed the British Subjects with those of the United States—of this however I am very doubtfull. They have also promis'd that the garrisons shall not be withdrawn from the Upper Posts for two years that the Merchants may have time to settle their Affairs—& bring away their Effects." *Canadian Archives, series B, LXXV-1, 43.* The writer was mistaken in his belief that the Americans had assented to a delay in the evacuation of the posts.

⁵⁰The attitude of Fox is clearly revealed in a letter to Hartley dated August 4, 1783, in which he wrote, "I am led to hope from your former dispatches that some time will be allowed us for our garrisons to remain in the forts without our boundary, if so, it will be a very acceptable thing here." *Stevens Transcripts, op. cit.,* fo 305.

such agreement was provided for in the final treaty, one must be reached by further negotiation. The Treaty of 1783 settled nothing with regard to the future of the northwest fur trade. The struggle for commercial domination, which had already been going on for more than a century, simply entered upon a new phase.

CHAPTER IV

EXPANSION AND MONOPOLY, 1783-1800

The outstanding facts of the controversy over the Northwest during the period following the Revolution have been known for a considerable while and recent investigations of scholars have added much to our knowledge of the subject.¹ While it is desired to avoid unnecessary repetition, a brief summary of the facts connected with the origins of the dispute is essential to an understanding of the general diplomatic and commercial situation during the period under consideration. The possibility of a slightly different interpretation of the course of events will perhaps serve as sufficient justification for such repetition of the history of well-known incidents as occurs in the following pages.

One who studies the early British policy with respect to the Northwest during the period following the Revolution is inevitably impressed by its vagueness, and by the difficulty of discovering any well-defined or conscious purpose in the minds of the responsible ministers. It has been explained that when peace was concluded between the United States and Great Britain, the question of the commercial status of the Northwest was left unsettled, while there was no definite agreement with regard to the time when the posts should be transferred. When the definitive articles were signed, there is no evidence that the ministry had any settled plan for the future. On the other hand, certain facts stand forth quite clearly. Owing to the vigorous representations of the merchants, there was a feeling that those responsible for the provisional treaty had committed a decided *faux pas* relative to the boundaries and the future of the fur trade. The vagueness of the terms of the

¹The first adequate study of the subject was made by A. C. McLaughlin, in "The Western Posts and the British Debts," in *American Historical Association, Annual Report*, 1894, p. 413 ff. Additional material and certain new points of view are contained in James, "Some Phases of the History of the Northwest, 1783-1786," in *Mississippi Valley Historical Association, Proceedings*, 1913-1914, VII, 168 ff.; Leavitt, "British Policy on the Canadian Frontier, 1782-92," in *Wisconsin Historical Society, Proceedings*, 1915, p. 151 ff.; and Bemis, *Jay's Treaty*, especially chapter 1. These accounts have a common limitation, however. There is no attempt to study the history of the events during the period from 1783 to 1796 in the light of the negotiations preceding the Treaty of 1783.

treaty induced the hope that something might ultimately "turn up" which would make it possible to rectify the mistake. For such a solution, however, time was necessary; there must be no hurry and above all, the existing status in the Northwest must be maintained as long as possible. Should the Americans be inclined to press matters, pretexts for delay could probably be found if diligently sought for. The British, moreover, were smarting from the humiliation they had so recently suffered at the hands of their former colonies, while on the other hand, they manifested a rather open contempt for the nation which had so recently come into being. In view of all these circumstances, the prospects for an early settlement of the questions affecting the future of the Northwest were not encouraging.

A study of the correspondence of General Haldimand during this period indicates that he saw two great dangers in the peace settlement: first, the almost certain loss of the fur trade, upon which the prosperity of Canada largely depended; and secondly, the possibility of an Indian uprising, once the terms of the treaty became known. Either outcome would be regarded in the light of a disaster to the province and it was Haldimand's determination that neither should come to pass if any effort of his could prevent. As early as October of 1782, it will be recalled, he had voiced his fears on the subject of the fur trade in a communication to the home secretary, his views being essentially the same as those of the British and Canadian merchants who later memorialized the ministry.² The situation with regard to Indian affairs requires a word of explanation at this point.

It is a little difficult today to appreciate the vital importance of the attitude of the Indians living beyond the frontier settlements in the latter part of the eighteenth century. The British officials responsible for the administration and defense of Canada manifested a profound respect for their power and a corresponding eagerness for their good will. There was ever present in their minds the memory of the terrible days of the Conspiracy of Pontiac and they understood only too well that in case of a serious uprising, their tenure of the larger posts on the Great Lakes would be none too secure. The Indians, on their side, were inclined to be restless. For many years they had viewed with growing alarm the

²See p. 72.

encroachments of settlers from the seaboard colonies upon their hunting grounds. The Treaty of Fort Stanwix, concluded in 1768, had established a *modus vivendi* between the Indians and the whites, reserving to the former a vast area in which they might live and hunt unmolested. During the war, a majority of the Indians in the Great Lakes' region had cast their lot with the British, who promised in return that they would be protected in the enjoyment of their hunting grounds. When rumors concerning the terms of peace began drifting into Canada, the Indians at once displayed a good deal of apprehension concerning their status under the proposed treaty. They felt that they were being betrayed and the consequence was a growing wave of resentment against their allies.³ The British authorities in Canada were in a difficult position. Fairness in their dealings with the Indians had always been a point of honor with them and they were only too well aware of the justice of the Indians' complaints. They expressed regret that Oswald had not been instructed to inform the American commissioners that Great Britain had no right to dispose of the lands reserved to the natives by the Treaty of Fort Stanwix.⁴ The representations of the merchants had brought even the Shelburne ministry to an appreciation of the gravity of the situation. On February 28, 1783, Townshend instructed Haldimand to take all necessary precautions in order to ensure the safety, not only of the officers of the Indian department, but also of the traders and their property.⁵

Steps were at once taken to assure the Indians that the King had not forgotten them and messengers were despatched to the tribes in the upper country, urging them, now that hostilities had ceased, to turn from war to their hunting.⁶ The removal of certain tribes to Canada was contemplated as one way out of the difficulty, and Lord North authorized Haldimand to grant permission to any friendly Indians to withdraw from the territory of the United States and occupy lands within the province of Quebec. Using

³Indian Council at Lower Sandusky, April 19, 1783, *Michigan Pioneer Collections*, XI, 354; Indian Council at Detroit, June 28, 1783, *ibid.*, p. 370.

⁴Claus to Blackburn, June 14, 1783, *Claus Papers*, III, 223.

⁵Townshend to Haldimand, February 28, 1783, *Canadian Archives, series B, L, 117*.

⁶There are frequent references in the Haldimand collection and in the Claus papers to councils with the Indians relative to the terms of peace.

this new home as a base of operations, they might continue to hunt on their old grounds, returning to Canada with their furs.⁷

The summer of 1783 passed without any serious Indian disturbances but late in the year, Haldimand still considered the situation critical. In a letter to Lord North he expressed the conviction that there was danger of an Indian war. He believed that the surest means of averting such a catastrophe would be to allow the posts to remain for some little time in the hands of the British. He strongly recommended that the territory reserved by the Treaty of Fort Stanwix be set aside for the Indians, that settlers from both the United States and Canada be excluded therefrom, but that the traders of both countries be allowed to go where they pleased.⁸ These three suggestions, the retention of the posts for an indefinite period, the establishment of an Indian barrier, and free commercial intercourse with the Indians, were prophetic of British policy with regard to the Northwest throughout the following decade and during the negotiations which preceded Jay's Treaty.

General Haldimand, meanwhile, was adhering rigidly to the policy of preventing any change in the commercial status of the Northwest, until such time as he should receive definite orders from the home government. His fears, moreover, gave birth to suspicions with reference to American designs. Several months before the signing of the definitive articles, he warned Major Ross, the British officer in command at Oswego, to be on his guard against attempts to gain possession of that post, which he feared the Americans might make in order to secure possession of the Albany route to the upper country.⁹ Haldimand's forebodings with regard to the interest of American traders in the commercial possibilities of the Northwest were not without foundation. On August 1, 1783, three bateaux from Schenectady arrived at Niagara loaded with rum to be traded at the upper posts, the appearance of which caused a sensation and occasioned a vigorous protest from the British merchants located at that place.¹⁰ It is scarcely necessary

⁷North to Haldimand, August 8, 1783, *Canadian Archives, series B*, XLV 115.

⁸Haldimand to North, November 27, 1783, *ibid.*, LVI, 199.

⁹Haldimand to Ross, March 11, 1783, *ibid.*, CXXIV, 83; Haldimand to De Peyster, March 12, 1783, *Michigan Pioneer Collections*, XI, 351.

¹⁰Memorial of Niagara Merchants, August 1, 1783, *Canadian Archives, series B*, XCVI-2, 265.

to add that the commander at Niagara refused to allow the traders to proceed, and when Haldimand learned of the incident a couple of weeks later, he issued orders to the effect that all persons coming from the United States to treat with the Indians or to trade with them should be turned back.¹¹ Toward the end of 1783, American traders likewise appeared in the Genesee country south of Lake Ontario, but the Iroquois in the vicinity were advised by Brant and other chiefs to have no dealings with the newcomers until peace had been concluded between the Americans and the Indian nations. General Haldimand was meanwhile anxiously awaiting instructions from England concerning future commercial intercourse between the western posts and the United States.¹²

The Americans lost no time in attempting to secure possession of the forts which the provisional articles indicated would be included in their boundaries.¹³ Congress in April of 1783 directed Washington to take steps to secure the transfer of all places which were then in the possession of the British. Washington considered that the western posts came within the scope of the resolutions, so in July, he sent General Steuben to Canada to arrange with Haldimand concerning their transfer. Steuben's instructions added that after he had accomplished this, he was to proceed westward as far as Detroit for the purpose of inspecting the posts which it was expected would soon be taken over. His mission ended in failure. In the absence of instructions from England, Haldimand refused even to discuss the transfer of the posts and he also refused Steuben permission to proceed on a tour of inspection.¹⁴ Haldimand was

¹¹Maclean to Haldimand, August 1, 1783, *Michigan Pioneer and Historical Collections*, XX, 158; (same to same), September 13, 1783, *Canadian Archives, series B*, CIII, 352; Mathews to Harris, August 15, 1783, *ibid.*, CXXVIII, 123.

¹²Hayes to Mathews, January 5, 1784, *ibid.*, CIII, 419; Mathews to Hayes, March 29, 1784, *Michigan Pioneer and Historical Collections*, XX, 215.

¹³The posts in question were Michillimackinac, Detroit, Niagara, Fort Erie, Oswego, Oswegatchie, Point-au-Fer, and Dutchman's Point. Jefferson to Hammond, December 15, 1791, *American State Papers, Foreign Relations*, I, 190; Bemis, *Jay's Treaty*, p. 2. There were numerous trading posts, dependencies of the establishments enumerated above, in which no regular garrisons were maintained.

¹⁴Washington to President of Congress, May 3, 1783, Ford, *Writings of Washington*, X, 239; Instructions to Baron Steuben, July 12, 1783, *ibid.*, p. 285;

certainly within his rights and in view of the fact that the definitive treaty had not been signed, the American request was at least premature. Haldimand's attitude, however, is significant. Writing to Lord North in August of 1783, he pointed out that the longer evacuation should be delayed, the better would be the opportunity afforded the traders in the upper country to secure their property and withdraw, while at the same time the Indians might be reconciled to the terms of peace, concerning which they were very indignant. He somewhat naïvely took the position that it would be better for the Americans if the British were to remain in possession of the posts for a period, in order to avoid the danger of an Indian war. That his motives were not altogether disinterested is indicated by his calling attention to the effort of the Schenectady traders to enter the Northwest, an attempt concerning which he was the more indignant as he believed it had the official sanction of Washington.¹⁵

The earliest indication that the British ministry had formulated anything like a definite policy with regard to the evacuation of the posts appears in a letter of Lord Sydney dated April 8, 1784, in which he expressed approval of Haldimand's refusal to surrender the posts to Steuben the preceding summer, and continued: "The seventh article stipulates that they should be evacuated with all convenient speed, but no time is fixed, And as America has not on her part, complied with even one Article of the Treaty, I think we may reconcile it in the instance to delay the Evacuation of these Posts, at least until We are enabled to secure the Traders in the interior Country and withdraw their Property."¹⁶ This pronouncement by Lord Sydney is especially significant. Before his elevation to the peerage, he had participated in the debate on the provisional articles of peace, in the course of which he had discussed the Canadian fur trade. He was defending the treaty, it is true, but the point is that he was familiar with the relation between the boundary and the trade of the Great Lakes' region. As home secretary in the Shelburne ministry he had cor-

Haldimand to Washington, August 11, 1783, *Michigan Pioneer and Historical Collections*, XX, 165.

¹⁵Haldimand to North, August 20, 1783, *Canadian Archives, series B*, LVI, 125.

¹⁶*Canadian Archives, series B*, XLV, 129. Thomas Townshend became Baron Sydney of Chislehurst on March 6, 1783.

responded with Haldimand on the subject of the fur trade and to him had been addressed Haldimand's communication of October 25, 1782, calling attention to the desirability of safeguarding the commercial interests of Canada. As home secretary in Pitt's ministry, he may have had an opportunity to familiarize himself with the correspondence which had passed between Hartley and Fox during the negotiation of the definitive articles. At any rate, Sydney's letter is in line with the recommendations of the merchants interested in the Canada trade and it is not difficult to detect their influence in the decision to delay the evacuation of the posts. The pretext for the delay would be forthcoming in due time; in fact it is hinted at in Sydney's despatch.¹⁷

It is most significant that in spite of the apparent anxiety of both Haldimand and the ministry concerning the safety of the traders and their property in the event that the posts should be evacuated, no effort was made to induce those who were in the interior to wind up their affairs, or to prevent additional goods being sent up from Montreal.¹⁸ This is simply one more indication of a disposition to maintain the existing status in the Northwest as long as possible. Why forego the profits of the fur trade until it should be absolutely necessary? Meanwhile, something might "turn up."

Two more efforts were made to secure possession of the posts through negotiation with Haldimand. In January, 1784, the senate of New York expressed uneasiness concerning the effect which the retention of the posts by the British might have upon

¹⁷The charges which were ultimately made the basis for the refusal to evacuate the posts related to the treatment accorded the loyalists and the obstacles which the states had placed in the way of the collection of debts owed to British merchants.

¹⁸The practice of issuing licenses to traders, permitting them to carry goods to points within American territory, continued just as before the arrival of news concerning the probable terms of peace. The value of the goods for which passes were issued in 1783, when there was great apparent anxiety concerning the welfare of the traders, was £226,922 currency, as compared with a little over £184,055 for the preceding year. *Returns of Indian Trade Licenses*. It would appear either that Haldimand anticipated that the posts would be occupied by the British for some time to come, or else he desired to create an additional pretext for delaying their surrender.

the fur trade of the merchants of that state.¹⁹ In the following March, Governor Clinton sent Colonel Fish to Quebec for the purpose of securing assurances from Haldimand that as soon as instructions were received from England, he would notify the state authorities of the approaching evacuation of the posts situated within the borders of New York, which would of course include Oswego and Niagara, the keys to the northwest fur trade. General Haldimand, however, had no difficulty in evading the request.²⁰ The government of the United States made a further attempt in June of 1784 to arrange for the transfer of the posts. General Knox, the secretary of war, sent Colonel Hull to interview Haldimand and arrange the matter if possible.²¹ This request was likewise refused. Washington was under no illusions as to the real motives of the British in rejecting these overtures, and he was profoundly depressed with regard to the state of affairs in the Northwest, and the prospects for future peace and tranquility.²²

It will be apparent to one who has considered the matter thus far, that by 1784, it was almost a certainty that no steps would be taken by the British government to transfer the western posts, except as a part of a general agreement which should define, in a comprehensive manner, the future commercial status of the Northwest. Such an agreement could be brought about only by treaty and there were a great many factors which affected Great Britain's willingness to assent to a settlement of outstanding differences. As a matter of fact, a decade was to elapse before such a treaty was negotiated and the story of these negotiations, in so far as they relate to the fur trade, belongs to a later chapter. By the autumn of 1784 it had become apparent to close observers in

¹⁹The senate declared that it would be vain to hope that the posts would protect the frontier settlements "& our Fur Trade, which Constitutes a Valuable Branch in our Remittances." Answer of the Senate of New York to Governor Clinton's Speech, from the *Independence Gazette*, January 29, 1784, copy in *Canadian Archives, series B*, CLXXV, 235.

²⁰McLaughlin, *op. cit.*, p. 415.

²¹Knox to Haldimand, June 13, 1784, *Michigan Pioneer and Historical Collections*, XX, 230.

²²Washington to Clinton, November 25, 1784, Ford, *op. cit.*, p. 421. Washington feared that the British, after holding the posts as long as was practicable, might suddenly evacuate at a time when it would be impossible for the United States immediately to assume possession. Under such circumstances, they would almost inevitably be destroyed by the Indians.

Canada that the posts would probably be retained for an indefinite period. The Canadian merchants, with the backing of the British authorities, accordingly settled down to the exploitation of the rich commercial prize which the fortunes of war and a diplomacy of opportunism and delay had delivered into their hands.

The Americans were always regarded as potential rivals in the fur trade and it was considered essential to take measures looking toward their rigid exclusion from any share in it. The inhabitants of the former colonies unquestionably looked with longing eyes upon the rich commerce of the Great Lakes' region, of which they had been deprived for so long and which the terms of the treaty had led them to expect would soon be thrown open; on the other hand, the fears of the British authorities led them to exaggerate the danger that their southern neighbors might attempt to seize the northwest posts, particularly those which controlled the Hudson River and Schenectady route to the upper country. There was considerable anxiety, especially in 1784 and 1785, concerning what were suspected to be the sinister designs of the Americans.²³ Still, the British precautions are not surprising when it is recalled that prior to the Revolution, the Albany and Mohawk River route to the upper country had rivalled the communication by way of Montreal and the St. Lawrence. Some were even of the opinion that the former route possessed superior advantages, since it was open to navigation in the spring nearly a month sooner than the latter; and the belief was expressed that if American traders were permitted to carry goods to the upper country by way of the Mohawk, they might reach the market ahead of their Canadian rivals.²⁴

²³Haldimand to De Peyster, October 15, 1784, *Canadian Archives, series B*, LXV, 52; Haldimand to St. Leger, November 14, 1784, *ibid.*, series Q, XXIV-1, 148; St. Leger to Hamilton, December 2, 1784, *Department of Indian Affairs*; (same to same), December 9, 1784, *ibid.*

²⁴"Memorandums of the present Political sentiments of the United States of America, with some remarks, on the Navigation of the St. Lawrence and Hudsons Rivers to the upper Lakes, and General Observations on the Petition for a House of Assembly from the Province of Quebec." Endorsed, "Canada Affairs, from Major Ross, R. 2 May, 1785." *Canadian Archives Transcripts*, C. O. 42, XVII, 38.

The utmost vigilance was exercised in order to prevent merchandise from being carried into the upper country from the United States either by British or American merchants and in 1785, Lieutenant-governor Hamilton considered it necessary to establish a customs officer at Oswego to prevent any trade being carried on by way of the Mohawk River.²⁵ This particular gateway to the Northwest remained tightly closed, and when John Long, a British trader who had operated in the Great Lakes' region for a number of years, requested permission in the summer of 1785 to pass the fort at Oswego with a cargo of merchandise obtained at New York, he was refused and informed by the commanding officer that he had better turn back if he wished to avoid the seizure of his goods. Long's own words bear rueful witness to the vigilance of the British in watching the communication: "Notwithstanding this friendly advice, I was determined to run the risk, and, to my extreme mortification, they [his goods] all were seized by the customhouse officers, by them deposited in the king's warehouse, and afterwards condemned."²⁶

The considerations which led the British to exclude foreign traders and their goods from the Indian country were also responsible for the measures taken to prevent furs from being sent to the United States. The most effective of the regulations designed to secure this end was the one which prohibited private merchant vessels from navigating the lakes, thus compelling traders to transport their effects in the King's ships. During the Revolution, this rule had been enforced primarily for the purpose of preventing supplies and munitions of war from falling into the hands of the enemy; now it was considered necessary in order to prevent peltry from being carried to the American market.²⁷

²⁵St. Leger to Sydney, May 7, 1785, *Canadian Archives, series Q*, XXIV-2, 326. Canadian merchants at various times attempted to import goods into the upper country by way of the New York communication. Undated memorandum concerning the trade of Quebec, *Lansdowne Manuscripts*, LXXXVIII, (1785-1789), 67; Minutes of the Executive Council of Quebec, April 4, 1786, *Canadian Archives, series Q*, XXVI-1, 263; Ellice to Mathews, February 16, 1784, *ibid.*, series B, LXXV-2, 26.

²⁶"Long's Journal, 1768-1782," in Thwaites, *Early Western Travels*, II, 212, 213.

²⁷Haldimand to the Merchants of Montreal Trading to the Upper Country, August 9, 1784, *Canadian Archives, series B*, LXIV, 131; "Memorandums Respecting Public Matters in the Province of Quebec," submitted to Lord Sydney by General Haldimand, March 16, 1785, *ibid.*, series Q, XXV, 295.

While the measure appears to have been reasonably effective in preventing the smuggling of furs into the United States, it was on the other hand a very serious inconvenience to the trade itself, because the King's vessels seldom afforded adequate transportation facilities, and as a result, there were very considerable delays, which involved the merchants in serious losses. Goods sometimes lay for months upon the carrying places at Niagara and Carleton Island, their transport being on occasion delayed so long that they could not be sent out to the more remote trading posts until the following season. This irritating state of affairs was made the subject of repeated representations on the part of the merchants, particularly those who were engaged in the trade at Detroit.²⁸ Those operating in the region beyond Lake Superior were likewise inconvenienced as they depended largely upon provisions carried on the lakes in sailing vessels.²⁹ Haldimand turned a deaf ear to all requests of the traders that they be allowed to navigate the lakes in their own vessels, but in the summer of 1785, while he was in England, there was some relaxation from his orders, the merchants being granted permission to carry their goods in canoes and bateaux from Montreal to Niagara, though their ships were not allowed to sail Lake Erie.³⁰ The restriction originally imposed by Governor Carleton was not entirely removed until 1788, when an ordinance was passed by the legislative council of Quebec, authorizing the merchants to transport goods and peltry in their own sailing vessels.³¹

Regulations affecting the navigation of the lakes were not the only measures considered necessary in order to preserve to Great

²⁸See, for example, the petition of the merchants interested in the Detroit trade, addressed to Lieutenant-governor Hay, July 15, 1784, *Michigan Pioneer Collections*, XI, 424; Petition and Representation of the Merchants of Detroit, July 16, 1785, *ibid.*, p. 459.

²⁹McGill to Hamilton, August 1, 1785, *Canadian Archives, Report*, 1890, p. 56; McGill to Finlay, August 8, 1785, *ibid.*, p. 58; Benjamin Frobisher to Finlay, August 8, 1785, *ibid.*, p. 59.

³⁰The merchants made application to Lieutenant-governor Hamilton for relief. Hamilton referred the matter to the Legislative Council, which in turn left the decision to Brigadier-general St. Leger, who was in command of the military establishment in Canada during Haldimand's absence. St. Leger to Sydney, May 7, 1785, *Canadian Archives, series Q*, XXIV-2, 326; (same to same), July 25, 1785, *ibid.*, series Q, XXV, 156.

³¹*Canadian Archives, Report*, 1914-1915, p. 207.

Britain her trade supremacy. While peace negotiations were yet in progress, the London merchants showed considerable apprehension lest a large share of the fur trade which was then carried on by way of Canada should be diverted to New England and New York.³² It is not unlikely that a considerable part of the peltry obtained in the Northwest would have found its way to the United States instead of to the London market if prompt measures had not been taken by the British. The former colonies would have afforded a convenient and profitable market as is shown by the fact that after the signing of the provisional articles of peace, there were numerous requests for permission to ship furs to the United States, all of which, it is needless to say, were refused. In 1788, the legislative council passed an ordinance expressly forbidding the exportation to the United States of furs of all sorts, but the utmost vigilance on the part of the British was necessary to prevent smuggling, as the court records for the district of Montreal bear witness.³³ Considerable peltry was carried south by way of Lake Champlain, even so considerable a firm as that of Robert Ellice and Company of Montreal being concerned in this illicit traffic.³⁴

It must not be supposed that the Americans remained entirely passive during the period following the close of the Revolution. Incidentally, nothing will serve better to illustrate the advantages which had been acquired by the British and the effectiveness of the measures adopted to retain them, than the contrast between the efforts of the United States to enter the fur trade during the years from 1783 to 1796, and the flourishing busi-

³²"Observations on the Trade, which before the late War subsisted between Great Britain and that part of America now composing the United States with such Regulations as appear proper to be adopted for the recovery and retention of a considerable part of that Commerce," in *American Historical Review*, XVIII, 774.

³³*Canadian Archives, Report*, 1914-1915, p. 203; Proceedings relative to seizure of smuggled furs, in *King's Bench, Register of Common Pleas*, Archives of the District of Montreal. In 1794, Lieutenant-governor Simcoe declared that the smuggling of furs into the United States was rapidly increasing. As they were largely used in the manufacture of hats, he urged that hat manufacture be introduced into Canada, as the only means of putting a stop to the contraband trade. Simcoe to the Lords of Trade, December 20, 1794, *Canadian Archives, series Q*, CCLXXXI-1, 180.

³⁴Mathews to Jordan, July 21, 1783, *Canadian Archives, series B*, LXI, 153; Mathews to Messrs. Ellice & Co., February 2, 1784, *ibid.*, LXIII, 70.

ness carried on by the Canadian merchants in the Northwest during the same period. The trade of the former southern colonies, as has been pointed out, had been practically ruined by the war, the hostility of the Indians and the impossibility of obtaining sufficient goods having proved insuperable obstacles to the maintenance of any considerable commerce with the tribes of the Northwest. There was little hope that this situation would be changed for the better, since the route leading from New York to the upper country was blocked by the British post at Oswego, while the unsettled conditions in the region northwest of the Ohio prevented the development of any extensive trade in that quarter.³⁵ The traffic in furs which the French inhabitants of the Illinois country had carried on prior to the Revolution had likewise almost disappeared during the period of disorder which had attended the occupation by the Virginians.³⁶ Notwithstanding the extremely unfavorable outlook at the close of the war, the government of the United States appreciated the importance of trade, not only as an end in itself, but as a means of maintaining friendly relations with the Indians. In 1786, Congress turned its attention to the matter and an ordinance was enacted dividing the Indian department into two districts, a southern and a northern, the former including the tribes living within the territory of the United States south of the Ohio River, while the latter comprised all the remaining tribes, dwelling north of the Ohio and west of the Hudson.³⁷ A superintendent was to be placed in charge of each district, with authority to appoint deputies who were to take up their residences in such places as might be most convenient for the regulation of the trade. By the terms of the ordinance, the privilege of carrying on commerce with the Indians was restricted to citizens of the United

³⁵There were scattered American traders in the region northwest of the Ohio between 1783 and 1796 but it is very difficult to form any accurate estimate of the extent of their activities. Some furs were used in the manufacture of hats in certain states along the Atlantic seaboard, some of which, however, were probably smuggled in from the Great Lakes. A small amount of peltry was also exported from New York and Pennsylvania during this period. *Annals of Congress*, 3 Cong., 1 sess., 478; *American State Papers, Commerce and Navigation*, I, 161.

³⁶St. Clair to the President, William H. Smith, *St. Clair Papers*, II, 168.

³⁷The ordinance was passed August 7, 1786. *American State Papers, Indian Affairs*, I, 14.

States and no one was to be permitted to trade without first obtaining a license. The resemblance to the old British plan for the management of trade and Indian affairs is obvious.

In all of its dealings with the Indians of the Northwest during this period, the government of the United States kept constantly in view the establishment of trade relations with them, hoping thereby to prepare the way for the more complete exploitation of the industry at such time as the western posts should be evacuated by the British. As in the old days of the conflict between England and France, Indian trade and diplomacy were practically synonymous. Thus by the Treaty of Fort Mackintosh, in 1785, tracts of land in the Indian country were set aside, to be used as sites for trading posts and these reservations were renewed by the Treaty of Fort Harmar in 1789. Article seven of the latter treaty contained further provisions looking toward the establishment of trade relations. The Indians promised to give protection to all traders licensed to come among them and also pledged themselves to have no dealings with persons who visited them without licenses.³⁸

Washington, with his broad understanding of western conditions, fully appreciated that the government of the United States must adopt vigorous measures in order to counteract the influence which the British wielded over the Indians by reason of their commercial ascendancy. In his message to Congress of November 6, 1792, he dwelt upon the necessity of establishing trade with the Indians upon a scale adequate to their wants and under such regulation as might protect them from fraud, and he called attention to the matter again in 1793 in even stronger terms. He declared that next to a rigorous execution of justice upon those who violated the peace in the Indian country, the establishment of commerce with the various tribes on behalf of the United States was the measure most likely to secure their attachment, and he recommended that the government itself undertake the development of the trade, on the ground that while individuals would not engage in it unless a profit were to be obtained, the government would be satisfied to be merely reimbursed for the expense incident to such an undertaking.³⁹ Bills were at

³⁸*American State Papers, Indian Affairs*, I, 7; Justin Winsor, *Westward Movement*, p. 268.

³⁹*American State Papers, Foreign Relations*, I, 19, 22.

various times introduced in Congress looking toward the establishment of government trading houses or factories, without success; but a step in that direction was taken in 1795, when Congress enacted that a sum not exceeding fifty thousand dollars should be appropriated for the purchase of goods for the Indian trade, the merchandise to be sold under the direction of the President.⁴⁰ The trade which was started in accordance with this act had to be confined to the southern tribes, however, as peace had not yet been established with those northwest of the Ohio and the disorder which prevailed precluded any commercial experiments in that quarter.⁴¹ After General Wayne had broken the power of the Indians at the battle of Fallen Timbers, he emphasized the importance of the Indian trade in the strongest terms, declaring that the British would retain their ascendancy over the savages until such time as the United States should establish trading houses, by means of which they could supply them with goods as easily and at as reasonable rates as their rivals. The forts which the Americans had built in the course of the recent campaign against the Indians would serve to protect the proposed trading houses; and if in addition, posts were built at the mouth of the Miami and at Sandusky, he was confident that the same degree of influence as was then possessed by the British could be enjoyed by the Americans. He then added:

"If my recollection serves me, the President has, more than once, recommended this measure to the serious attention of Congress; and without it is adopted, we can never expect a permanent peace with, or fidelity from the Indians."

"Could I, with truth and propriety, pledge myself to the hostile tribes, that this measure would be adopted, and that they would, with certainty, be supplied in this way, in the course of the ensuing spring, as well as in future, I am confident we should draw them over to our interest, notwithstanding every effort of the British to prevent it."⁴²

In the negotiations between General Wayne and the Indians preceding the treaty of Greenville, there were frequent references to

⁴⁰Act approved March 3, 1795, *U. S. Statutes at Large*, II, 443.

⁴¹Report of the secretary of war of the measures taken for opening a trade with the Indians, December 12, 1795, *American State Papers, Indian Affairs*, I, 583

⁴²Wayne to the Secretary of War, December 23, 1794, *ibid.*, p. 548.

commercial matters. Wayne promised the Indians that measures would be taken to supply their wants, for which they expressed their thanks.⁴³

At length, in 1796, Congress consented to try the plan which had been repeatedly urged by both Washington and Wayne and enacted a measure providing for the establishment of trading houses among the Indians.⁴⁴ Those who supported the bill commented upon the slight headway which American merchants had succeeded in making, handicapped as they were by competition with the powerful companies of Canada and owing also to the fact that there were so many opportunities for speculation in the United States that individuals were unwilling to enter upon the Indian trade, where they were at such a tremendous disadvantage. Governmental participation was considered necessary in order to gain the friendship of the Indians and deprive the British of the ascendancy which they enjoyed and which the Americans feared might again be used to incite the northwest tribes to hostilities.⁴⁵ The enactment of the law providing for the establishment of government trading houses by the United States, together with the evacuation of the posts, marked the beginning of a new epoch in the history of the northwest fur trade. There began a new struggle between the Americans and the British for political and commercial supremacy in the Great Lakes' region which did not end until after the War of 1812.⁴⁶ The relative insignificance of the fur trade carried on by citizens of the United States during this period reveals by contrast the strength of the monopoly which the British were able to establish at the time of the Revolution and to hold during the years which followed.

There is some evidence that after the Revolution even the French hoped to recover a share in the fur trade which they had lost along with Canada in 1763. François de Marbois, French *chargé d'affaires* in the United States, drew up a long memorandum on the subject in 1784, which he forwarded to Vergennes. This document was based to a considerable extent upon personal ob-

⁴³*American State Papers, Indian Affairs*, I, 578, 580.

⁴⁴Act approved April 18, 1796, *U. S. Statutes at Large*, II, 452.

⁴⁵*Annals of Congress*, 4 Cong., 1 sess., 229-232.

⁴⁶See article by Royal B. Way, "The United States Factory System for Trading with the Indians, 1796-1822," in *Mississippi Valley Historical Review*, VI, 220.

servation and study, and reveals a surprising degree of familiarity with the commercial situation in the Great Lakes' region. Marbois believed that after the posts were evacuated by the British, a portion of the fur trade might be diverted from Montreal to New York, and that French merchants might come in for a share of the profits. It was entirely possible for them to supply the merchandise used in the trade, while in return, France might become a market for American furs. The Spaniards, on the other hand, who had given the British authorities so much concern in the Illinois country twenty years before, were now on the defensive, the tables having been distinctly turned by the traders operating from Canada.⁴⁷

Stringent regulations concerning navigation and commerce bear witness to the determination of the British to continue in possession of the fur trade of the Great Lakes' region as long as possible, while the somewhat vague and tentative efforts of their American rivals indicate that serious competition need not have been anticipated from that quarter. There remains to be described the manner in which the merchants of Canada utilized the opportunities which fortune had thrown in their way, their success being most clearly revealed by the increasing value of the trade during the period under consideration, as well as by its growing geographical extent. The Canadian merchants possessed certain advantages, in addition to the favor of the government to which they owed allegiance. They enjoyed the friendship and confidence of the Indians, which were always so essential to the prosperity of the fur trade. The merchants themselves were men of remarkable ability and initiative, while they built up a business organization which for effectiveness was one of the marvels of the eighteenth century. There were on the other hand certain difficulties. Wars between the Americans and the Indians, unrestrained competition, and the uncertain state of the European market at times occasioned much anxiety to those engaged in the trade. There was the additional uncertainty as to when the posts might be surrendered, though that fact did not deter the merchants from making up outfits of the usual size each year.

The British trade to the Northwest during the last quarter of the eighteenth century consisted of three fairly well defined

⁴⁷Memoir of Marbois on the Fur Trade, 1784, in *American Historical Review*, XXIX, 725.

branches, there being the portion dependent upon Detroit; the commerce of which Michillimackinac was the center; and the trade to the far Northwest by way of Grand Portage. Fortunately for the student of the subject, reports on the general status of the trade were compiled from time to time, on the basis of which it is possible to determine approximately the value of the commerce as a whole as well as the relative importance of the three branches enumerated. Thus there are reports available for the years 1780, 1784, 1790, and one for about the year 1794.⁴⁸ The estimate of 1780 placed the value of the returns in furs from the upper country at about £150,000, of which one-third came from Niagara and Detroit and their environs. The report for 1784 placed the annual value of the Detroit trade at £65,000, that of Michillimackinac at £64,000, while the trade to the northwest of Lake Superior was estimated at £25,000. The estimate prepared in 1790 valued the commerce dependent upon Detroit at £40,800, that of Michillimackinac at £60,400, while the furs annually brought in from the far Northwest were estimated to be worth £40,000. The figures contained in the report drawn up about 1794 are especially interesting. The total annual value of the furs imported into England from Canada is placed at £250,000. This figure, however, includes the returns from the region below Montreal. About £100,000 of the total came from Niagara, Detroit, and Michillimackinac, while the value of the trade to the country northwest of Lake Superior is placed at £100,000.

The area dependent upon Detroit included, roughly speaking, the territory south of Lake Erie; the Maumee and Wabash valleys together with that part of the Illinois country which was reached by way of the Wabash; and a portion of what is now the state of Michigan. There were posts at Saginaw and Sandusky which drew merchandise from Detroit, but the most valuable re-

⁴⁸Grant to Haldimand, April 24, 1780, in Gordon C. Davidson, *The North West Company*, Appendix A; "Canada, its Indian Trade with Observations thereon," London, December 28, 1784, *Canadian Archives Transcripts*, C. O. 42, XVI, 122; "Statement Concerning Trade at Detroit and Other Posts," enclosed in Inglis to Grenville, May 31, 1790, *Michigan Pioneer and Historical Collections*, XXIV, 686; Memoir of Isaac Todd and Simon McTavish, about 1794, Davidson, *op. cit.*, Appendix H. The data contained in these estimates must naturally be used with discrimination, since the reports were in each case prepared with some definite object in view.

turns came from the establishments on the Maumee and Wabash rivers. The trade of the region dependent upon Detroit, especially that part of it lying south of the lakes, was in a state of decline during the period under consideration. Almost immediately upon the cessation of hostilities between the United States and Great Britain, American settlers began penetrating the country northwest of the Ohio, while the Indians, alarmed and angered by these encroachments upon their hunting grounds, resisted, thus precipitating an era of war and general disorder.⁴⁹ The resentment of the Indians was of course directed primarily against the Americans, but the trade of the British merchants was nevertheless very materially affected, as the attention of the Indians was diverted from their hunting, while in the brawls which were constantly occurring, British traders did not always escape. When aroused, the Indians did not always distinguish between the British and the Americans; and they harbored considerable resentment against the former for having, as they thought, given their lands to their enemies. The trade of Detroit was at a low ebb during 1785 and 1786, the situation being reflected in a letter of Alexander Henry in which he comments to a friend upon the sad state of affairs: "I don't either pity the Indians nor blame the Americans, but I feel for you and my friends at Detroit, who has large connections in that country."⁵⁰ The firm of Todd and McGill, writing to John Askin of Detroit at about the same time, was inclined to look with disfavor upon the trade in that quarter, especially in the Wabash country, fearing that there would be interruptions by reason of Indian disturbances for some time to come, a prophecy which proved only too true.⁵¹ Lord Dorchester⁵² gave instructions that the Indians were to be reproached for their violence to British traders, but all efforts to maintain order were practically useless.⁵³ In 1789, the Detroit

⁴⁹Winsor, *op. cit.*, 243; Haldimand to Sydney, October 24, 1784, *Canadian Archives, series B*, LVIII, 14.

⁵⁰Henry to Edgar, November 12, 1786, *Letters and Accounts of the Northwest Co.*, p. 77; see also Henry to Edgar, June 23, September 1, 1785, and March 5, 1786, *ibid.*, p. 65, 67, 71.

⁵¹Todd and McGill to Askin, December 20, 1786, *Burton Manuscript Collection*, I, 217.

⁵²In 1786, Sir Guy Carleton, who had recently become Baron Dorchester, was appointed governor-general of Canada.

⁵³Dorchester to Johnson, November 27, 1786, *Michigan Pioneer and Historical Collections*, XXIV, 39.

trade was still in a state of decline and the number of packs of furs which it yielded in that year was reported to be 500 less than for the preceding year.⁵⁴ The invasion of the Miami country by General Harmar in 1790 resulted in considerable losses to the merchants. As the Indians retreated before the Americans, they burned their own houses along with those of the traders in order to prevent them from falling into the hands of the enemy. The Miami village was destroyed, and although the traders living there saved most of their movable goods, their corn was burned and they were forced to give their ammunition to the Indians.⁵⁵

The situation at Detroit did not improve as time went on. Indian wars and the resulting confusion continued to injure the trade and a fall in the price of furs on the London market caused the merchants increasing anxiety. John Askin, who was one of the most prominent merchants of that post, met with very indifferent success in his commercial ventures during this period, and Lieutenant-governor Simcoe⁵⁶ reported in 1793 that the trade of Detroit had been totally ruined by hostilities between the Americans and the Indians.⁵⁷ Only after Wayne's victory over the Indians at the battle of Fallen Timbers were peace and order finally restored to the Indian country. Besides the Indian wars and general chaos which prevailed in the region south of Detroit, unrestrained competition and the consequent flooding of the country with merchandise during the years which followed the Revolution had a very injurious effect upon the trade of individuals and led to the establishment of the Miami Company, which will be referred to in another chapter. The Detroit merchants were also at a certain disadvantage because of the accessibility of foreign markets. Traders in the Indian country who were indebted to persons at

⁵⁴Richardson to Porteous, September 23, 1789, *Canadian Archives, series M*, vol. 852; Forsyth to Porteous, November 24, 1789, *ibid.*

⁵⁵Letter of Major Smith, October 16, 1790, *Michigan Pioneer and Historical Collections*, XXIV, 103; Extract from letter of officer commanding at Detroit, October 16, 1790, *ibid.*, p. 104; Smith to Le Maistre, October 20, 1790, *ibid.*, p. 107; Richardson to Porteous, April 23, 1790, *Canadian Archives, series M*, vol. 852.

⁵⁶In 1791, there were created the provinces of Upper and Lower Canada. John Graves Simcoe became lieutenant-governor of Upper Canada.

⁵⁷Todd to Askin, August 10, 1792, *Burton Manuscript Collection*, II, 58; Simcoe to Hammond, August 24, 1793, *Michigan Pioneer and Historical Collections*, XXIV, 599.

that post for their outfits occasionally carried their furs to New Orleans or to the American market, and thus the collection of debts was likely to be somewhat precarious.⁵⁸ The situation with regard to Detroit and its dependencies during this period serves as a splendid illustration of the fact that the fur trade was only a transitory stage in the history of any given region. Before 1800, it was apparent that the trade in that quarter was doomed to disappear before the ever-advancing wave of settlement, an outcome which Henry Hamilton, a man of remarkably clear perception, accurately foretold in a letter written in 1785:

"The Western Indians must in a very few Years have the Mississippi for their Eastern boundary, in which case the Beaver, Deer, and Buffaloe skin trade will decline so fast that it will scarcely be an object worth attention throughout all that district which they now occupy. The active and avaricious Americans having driven the Indians and exhausted the hunting Country, will become planters."

"They must force a trade for their Lumber, Maiz, Cotton and Tobacco. The vast range of natural meadows which fed numerous herds of Buffaloe, will furnish such an abundance of forage, that the raising herds of Cattle will be no expence, and demand few hands."⁵⁹

If the fur trade of Detroit between 1783 and 1796 had begun to show evidences of decline, that of Michillimackinac during the same period was in its heyday and nothing more clearly reveals the vigor and enterprise of the British merchants than the manner in which they extended their operations during this period, holding the field against all competitors, and even pushing beyond the Mississippi into foreign territory. It is true, on the other hand, that the Michillimackinac trade suffered from some of the same influences which proved detrimental to that of Detroit. The importation of enormous quantities of goods immediately after the Revolution led to a state of disastrous competition which rendered some form of coöperation imperative and the outcome was the

⁵⁸Todd and McGill to Askin, December 20, 1786, *Burton Manuscript Collection*, I, 217; Dorchester to Sydney, October 14, 1788, *Canadian Archives, series Q*, XXXVIII, 164.

⁵⁹Hamilton to Sydney, April 7, 1785, *Canadian Archives, series Q*, XXIV-1, 247. The figures in the trade estimates for 1784 and 1790 are significant in this connection. The value of the Detroit trade in 1784 was estimated at £60,000, while in 1790 the average annual returns were placed at only £40,800.

establishment of a General Store in 1785. This enterprise met with rather mediocre success at the outset, owing partly to the inexperience of certain of the clerks employed, which involved some of the merchants in considerable losses.⁶⁰ Like the Miami Company, the General Store illustrates the tendency toward combination which was so characteristic of this period.

For many years the traders from Michillimackinac had been active at St. Joseph, Chicago, Milwaukee, La Baye, and Prairie du Chien, all places famous in the history of the fur trade, as well as at many smaller posts of lesser renown. Immediately upon the cessation of hostilities in the West, they began to extend the radius of their operations. Down into the Illinois country they went and beyond the Mississippi into Louisiana, despite the complaints of the storekeepers at Cahokia and the fuming of Spanish commandants, until at length they were in possession of virtually all the trade of the upper Mississippi Valley. Not a moment was lost, and in the summer of 1783, even before the definitive treaty had been signed, a merchant named Marchessaux had opened a trading house at Cahokia.⁶¹ By 1786, the French inhabitants of that village were complaining bitterly that the merchants from Michillimackinac had established a store which was absorbing all their Indian trade and it was even rumored that they were considerably disaffected toward the United States for allowing such a state of affairs to continue.⁶²

It is probable that a majority of the goods which were sent down to the French villages from Michillimackinac by way of the Chicago portage and the Illinois River were not traded directly with the Indians by British merchants but were sold to the Spaniards on the other side of the Mississippi. For example, the outfit which Marchessaux carried down to Cahokia in 1783 was sold to Auguste Chouteau, a St. Louis merchant, who operated in the Missouri country, the goods being furnished to him at an advance of 137½ per cent on their first cost, payable in furs. In April of

⁶⁰Narrative of Jean Baptiste Perrault, in *Michigan Pioneer and Historical Collections*, XXXVII, 545.

⁶¹*Ibid.*, p. 516.

⁶²Memorial of the French faction to Congress, June 2, 1786, Alvord, *Kaskaskia Records*, p. 382; Edgar to Clark, October 23, 1786, *ibid.*, p. 395; Parker to St. Clair, October 2, 1787, *ibid.*, p. 410.

the following spring the returns from the Missouri came in, the British traders settled their accounts with Mr. Chouteau, and in May departed for Michillimackinac.⁶³ This transaction is typical of the trading operations which were conducted by the British merchants in the Illinois country throughout this entire period. They carried their goods from Michillimackinac by way of Chicago to the region at the mouth of the Illinois River, sold them to Spanish traders on the west bank of the Mississippi, and carried back by the same route the furs which they received in exchange.⁶⁴ It is true that this was an illegal procedure, all commercial intercourse with the east side of the Mississippi being forbidden by Spanish law, but the regulations were never adequately enforced, the goods being either smuggled into Spanish territory from Cahokia or else introduced by means of a secret understanding with the Spanish commandant.⁶⁵ The following extract from a letter written in 1793 by Captain Doyle, commander at Michillimackinac, throws some interesting sidelights on this trade:

"There is also a considerable trade carried on from hence, to the Spanish Post of Pain Court, (or St. Louis) upon the Mississippi, which is considerably in our favor, but cannot be depended upon for two reasons, first, the admission of goods from this Post, being contraband tho' not rightly observed; Secondly, should an enterprising Merchant, send Goods from New Orleans, up the River, he could under sell the Traders from this Post; but this traffic which has been open to them for years, they have never attempted."

"The present Commanding Officer, at St. Louis, Captain Trudot, is highly spoken of by the British Traders; He has in many instances rendered them essential Services. The Arrival of some Spanish Merchants, this summer to trade, has enabled me to

⁶³Perrault Narrative, *Michigan Pioneer and Historical Collections*, XXXVII, 516-518.

⁶⁴The English merchants appear to have had a marked advantage over the Spaniards in the matter of coarse woolen manufactures, which were in much demand by the latter. Hay to Nepean, September 1, 1784, *Michigan Pioneer and Historical Collections*, XXIV, 19.

⁶⁵St. Clair to the President. Report of Official Proceedings in the Illinois Country from March 5 to June 11, 1790, Smith, *op. cit.*, p. 174. For a description of some aspects of the Louisiana fur trade during this period, see Isaac Lippincott, "A Century and a Half of Fur Trade at St. Louis," in *Washington University Studies*, III, part II, No. 2.

convince them, I was not insensible of Captain Trudots politeness."⁶⁶

Not only did British merchants carry their goods into Louisiana by way of the Illinois country, but Spanish merchants themselves resorted to Michillimackinac in order to obtain supplies for their trade, as is shown by the extract from Captain Doyle's letter.

The Americans naturally desired to obtain this profitable business for themselves and when General Arthur St. Clair became governor of the Northwest Territory, he took under consideration the possibility of establishing posts at Prairie du Chien and the mouth of the Illinois River in order to secure control of the trade. Neither plan was practicable at this time as the remoteness of Prairie du Chien would have rendered the maintenance of a post very difficult while there was no suitable site for an establishment at the mouth of the Illinois. Peoria was suggested as an ideal spot for a post should it ever be considered advisable to shut off entirely the trade of the Canadian merchants.⁶⁷ St. Clair also suggested that an impost be placed upon goods imported into the Illinois country, not only for the sake of the very considerable revenue which might be derived therefrom, but also for the purpose of turning commerce up the Ohio River to the markets of the United States.⁶⁸ That such a trade was practicable he declared had been proved by a merchant named Vigo, who had imported goods from Philadelphia and placed them upon the market in the West at more advantageous terms than had been offered by British traders, notwithstanding the fact that these goods were subjected to an impost from which British merchandise was ex-

⁶⁶Extract of a letter from Captain Doyle, commanding at Michillimackinac, to Simcoe, July 28, 1793, *Canadian Archives, series Q*, CCLXXX-2, 373.

⁶⁷St. Clair to the President, 1790, Smith, *op. cit.*, pp. 174-176. Though the United States might be justified in interrupting this trade, St. Clair believed that it would be poor policy to do so without supplying something in its place. The shutting off of communication with Canada would have deprived the Indians, as well as the inhabitants of the Illinois country, of many necessities of life.

⁶⁸*Ibid.* It seemed to be the fate of the Illinois trade to be absorbed by foreigners. St. Clair's proposal was almost identical with that of George Morgan, who in 1767 suggested that if a duty were levied upon the commerce of the Illinois country, sufficient revenue might be raised to support military garrisons in that region, while foreign competition would be excluded.

empt.⁶⁹ One individual complained in 1792 that the commerce of the Mississippi from Natchez to its source was controlled by Canadian merchants. He came forward with the original suggestion that the United States should station gunboats on the Illinois and Wisconsin rivers, reënforced by blockhouses, to keep the intruders out.⁷⁰ No effective measures were taken, however, and Canadian merchants continued to monopolize the trade of the Illinois country for a number of years even after the surrender of the western posts.⁷¹

The merchants of Michillimackinac also had most profitable dealings with the Indians of upper Louisiana. Prairie du Chien was the rendezvous of the traders resorting to both sides of the upper Mississippi, and at that post they congregated with large numbers of Indians each spring and fall. Ascending the Des Moines and St. Peter's rivers, they penetrated deeply into Spanish territory, some of them pushing even as far as the headwaters of the Missouri.⁷² This traffic had in fact been carried on almost from the time of the first entry of the British into the Great Lakes' region, and one of the most absorbing bits of all the literature of the fur trade is that portion of a journal of Peter Pond which recounts the story of a voyage up the St. Peter's River just before the outbreak of the Revolution.⁷³ When Spanish officers took charge of the administration of upper Louisiana in 1768, the governor-general ordered that all English traders be excluded from the western branches of the Mississippi. These instructions could not have been carried out for in 1770, Bernardo de Galvez, the Spanish governor at New Orleans, recommended the establishment of a

⁶⁹Smith, *op. cit.*, p. 175. The Ohio River, however, never appears to have been the natural channel for the fur trade of the Illinois country, and the situation after the Revolution was in many respects similar to that which existed following the British occupation of the region in 1765.

⁷⁰Mitchell to Hamilton, February 9, 1792, *Mississippi Valley Historical Review*, VIII, 264.

⁷¹Cargo manifests in volumes 744, 745, and 746 of the Burton Manuscript Collection throw much light upon the later activities of the Michillimackinac Company in the Illinois country.

⁷²Smith, *op. cit.*, p. 175. The traders resorting to the St. Peter's River sometimes used a more northern route, by way of Lake Superior and the St. Croix River.

⁷³"Journal of Peter Pond," in *Wisconsin Historical Collections*, XVIII, 314-354.

fort at the mouth of the Des Moines River in order to exclude the traders who were ascending that stream and penetrating to the headwaters of the Missouri. Nothing came of this proposal and the British continued to trade with the Iowa, Sioux, and other tribes living beyond the Mississippi.⁷⁴ Again, in 1793, the Spaniards tried to persuade the Indians living within their jurisdiction to have no dealings with the British traders, but with no better result.⁷⁵ In the following year, however, the Baron de Carondelet, who was then governor of Louisiana, decided to enforce a more vigorous policy. He began by recommending that forts be established at the mouth of the St. Peter's River and at the mouth of the Des Moines in order to keep out the British traders who he declared were monopolizing the commerce of the upper part of the province. He likewise urged that the Spanish merchants of St. Louis be allowed to enjoy free trade with New Orleans in order that they might more effectively meet the competition of their Canadian rivals.⁷⁶

The Spanish authorities on the ground now began to adopt more vigorous measures, and in 1794, Andrew Todd, a trader operating from Michillimackinac, was stopped in the Missouri country and his goods seized. When Lord Dorchester protested to Carondelet, the latter simply invited his attention to the illegal character of the trade which British merchants had long been carrying on within Spanish territory.⁷⁷ Carondelet now made up his mind to fight fire by means of fire; if the Spanish merchants could not carry on a successful trade on their own initiative, he proposed to enlist the aid of the Canadians themselves. To this

⁷⁴Van der Zee, "Fur Trade Operations in the Eastern Iowa Country Under the Spanish Régime," in *Iowa Journal of History and Politics*, XII, 357, 361.

⁷⁵Letter of Zenon Trudeau to a trader, May 1, 1793, Louis Houck, *Spanish Régime in Missouri*, II, 50.

⁷⁶Robertson, *Louisiana Under the Rule of Spain, France, and the United States, 1785-1807*, I, 335. See report of Carondelet, dated November 24, 1794. The Spanish governor, emphasizing the richness of the trade, declared that notwithstanding the enormous distance which the British merchants were obliged to carry their goods, they nevertheless reaped a profit of one hundred per cent. It is not unlikely that Carondelet exaggerated.

⁷⁷Van der Zee, *op. cit.*, p. 366; Dorchester to Carondelet, August 21, 1794, *Canadian Archives, series Q*, LXXIV-2, 234; calendar of series Q, p. 114, *Canadian Archives, Report*, 1891.

end he granted to the very Todd whose goods he had seized, a pass giving him the exclusive right to the trade of the upper Missouri in consideration of the payment of a tax of six per cent, it being his hope that Todd might enter into effective competition with the traders from Montreal. The plan was put into operation and during the two years following the grant of the monopoly, Todd imported goods by way of New Orleans and shipped back furs in exchange. He was planning to enlist the aid of Canadian *engagés*, when his plans were cut short by his death in 1796. All efforts proved futile. No posts were built as Carondelet and others had recommended, and the British remained in practically undisputed possession of the field for many years.⁷⁸

The trade within Spanish territory, while not without interest in itself, is remarkable as an illustration of the marvellously efficient methods of the Canadian fur traders. It speaks volumes for the ability and enterprise of these men, that they were able to send goods all the way from Montreal to the Mississippi, invade foreign territory, and in spite of all efforts on the part of Spanish officials, undersell their competitors and win the trade and friendship of the Indians. An unwilling tribute to the ability of the British traders is contained in the words of Jean Baptiste Trudeau, who in 1795 led an expedition to the upper Missouri which was sent out by the Commercial Company for the Discovery of the Nations of the Upper Missouri, an organization formed at St. Louis the preceding year. Trudeau complained in his journal of the difficulty of carrying on trade with the Indians, owing to the high prices of goods furnished by the company, which led the savages to sell their furs to the merchants from Canada.⁷⁹ Continuing, he says, "One thing is certain; if the English merchants, who are unquestionably much more enterprising than those of Illinois and Louisiana, were in possession of this river (the Missouri) on which from its mouth to its source navigation is so easy for the largest pirogues, having no cataracts or portages, they would establish a large trade with all the nations, those which are known to us as

⁷⁸Morales to Gardoqui, December 1, 1796, *Missouri Historical Collections*, IV, 13; Van der Zee, *op. cit.*, p. 366. For further information respecting the activities of British merchants in Spanish territory, see Houck, *op. cit.*, p. 187, 254, 255.

⁷⁹"Trudeau's Journal," *Missouri Historical Collections*, IV, 32.

well as those which are still unknown, and obtain from them a great quantity of fine peltry; a thing which these gentlemen, the merchants of the Illinois, have never dared and may, perhaps, never undertake, because of the reluctance they have always had and still have of making expenditures, and because of their fear of failure, they being too easily disheartened by the first obstacles and losses which are encountered; things which have never stopped the English in their commercial ventures.”⁸⁰ The efficiency of the Canadian *engagés* was likewise admitted. Spanish merchants were accustomed to hire Canadian traders and hunters to carry on their traffic with the Indians and the practice developed to such an extent that in 1787, Lieutenant-governor Cruzat had published an ordinance prohibiting the custom. Trudeau said in 1795, however, that the *engagés* of the company he represented came for the most part from Canada.⁸¹

While traders from Michillimackinac were pushing down into the Illinois country and across the Mississippi into Spanish territory, the merchants of the North-West Company were extending their commerce ever farther into the vast region beyond Lake Superior. Efficient business methods, the native ability of the founders, and the occupation of a territory comprising what was probably the richest fur-bearing region in North America, all contributed to the success of the company and its affairs prospered increasingly as time went on. A detailed account of the trading activities and the explorations carried on by the organization during the period under consideration would require much more space than can be allowed here;⁸² but some idea of the geographical extent of the company's activities may be gained from the fact that in 1789, the erection of Fort Chippewean was begun upon the shores of Lake Athabasca.⁸³ Hand in hand with the commercial exploitation of the Northwest went the discovery of new lands, lakes, and rivers; and high in the list of North American explorers

⁸⁰*Missouri Historical Collections*, IV, 33.

⁸¹Ordinance of Lieutenant-governor François Cruzat, March 4, 1787, in Houck, *op. cit.*, I, 248; “Trudeau's Journal,” *Missouri Historical Collections*, IV, 34.

⁸²The history of the North-West Company will be more fully discussed in the following chapter.

⁸³L. R. Masson, *Bourgeois de la Compagnie du Nord-Ouest*, I, 37, 41.

stands the name of Alexander Mackenzie, first a bourgeois and afterwards a partner in the "Great Company."⁸⁴

The North-West Company was composed of some of the most powerful of the merchants of Montreal, men who not only put forth mighty personal efforts in order to ensure the success of their business, but used every political influence of which they were capable in order to build up a monopoly which should be secure against all rivals, foreign as well as British. Soon after the founding of the company in the winter of 1783-1784, certain of the partners turned their attention to the matter of the communication leading to the country beyond Lake Superior. Under the terms of the Treaty of 1783, there was some doubt regarding the northwest boundary of the region ceded to the United States; but it was nevertheless quite evident that Grand Portage, the rendezvous of the company at the west end of Lake Superior, was within American territory, a circumstance which gave the merchants no little uneasiness. Apprehensive lest upon the surrender of the posts their communications with the far Northwest might be cut off, they made plans to seek out a new route to take the place of that by way of Grand Portage. Meanwhile, fearing lest the effort might be unsuccessful, they requested that in case the posts were surrendered, it should be stipulated that both British and American traders should be free to use the old carrying place at Grand Portage. They declared that there was no trade on the American side of the boundary which they would not gladly relinquish in return for such a privilege, thereby displaying remarkable consideration for the interests of the Michillimackinac and Detroit merchants!⁸⁵ If a new route should be discovered, however, they desired that they be given exclusive rights to its use. They likewise proposed to explore at their own expense the vast region between 55 and 65 degrees north latitude, stretching westward to the Pacific Ocean, asking in return that they be given a monopoly of the trade northwest of Lake Superior for a period of ten years. A new route from Lake Superior to the water communications of the Northwest by way of Lake Nipigon was actually discovered

⁸⁴See Alexander Mackenzie's *Voyages, passim*. In 1793, Mackenzie succeeded in reaching the Pacific Ocean.

⁸⁵Frobisher to Mabane, April 19, 1784, *Canadian Archives, Report*, 1888, p. 63.

in the summer of 1784. Haldimand, nevertheless, did not feel authorized to grant either of these requests for special privileges, but promised to lay the case of the merchants before the British ministry. Apparently no such exclusive privileges as those requested were ever granted.⁸⁶ All evidence points to the continued prosperity of the North-West Company, however. Thus in the last quarter of the eighteenth century were laid the foundations of the powerful organization which succeeded in holding the field against one rival after another until it met its match in the Hudson's Bay Company.

The remarkable development which characterized the Canadian fur trade during the years between the outbreak of the Revolution and the surrender of the frontier posts was accompanied by a distinct movement in the direction of independence and freedom from regulation. Like big business in all ages the world over, the fur industry was eager for governmental favor and support, but impatient of restriction. A régime of *laissez-faire* was the ideal of which the Canadian fur merchants dreamed. On October 26, 1790, seven of the principal mercantile houses of Montreal submitted a memorial in which they urged that the whole system of trade licenses be abolished and that interference with the activities of the traders at the upper posts be reduced to a minimum.⁸⁷ They specifically recommended the repeal of the ordinance of 1777, on the ground that if the Indians were not permitted to secure liquor from the British, they would purchase it either from the Americans or the Spaniards. The question was referred by Lord Dorchester to a "Committee on Trade with the Western Country." The committee submitted a report dated December 11, 1790, which contained a sweeping endorsement of the position taken by the merchants.⁸⁸ It was held that the separation of the thirteen colonies from Great Britain had changed the whole aspect of commercial policy in America and that unless the most free intercourse with the Indians were encouraged, the fur trade would be diverted to Spain and the United States. The spirit of the report is clearly

⁸⁶Memorial of the North-West Company, October 4, 1784, in *Canadian Archives, Report*, 1890, p. 48; McGill to Hamilton, August 1, 1785, *ibid.*, p. 56; Mathews to Frobisher, October 11, 1784, *ibid.*, 1888, p. 72.

⁸⁷*Michigan Pioneer and Historical Collections*, XXIV, 111.

⁸⁸Found in Minutes of a Committee on Trade with the Western Country, *ibid.*, 109 ff.

revealed in the following words: "When this Committee contemplates the inexplicable hazards of Life, Health and Fortune, to which the followers of the Internal Commerce are exposed, it cannot but recommend to its Protector, the noble Lord at the Head of the Government, that it be freed of every obstacle, every charge, every real or imaginary evil, with which it is stated to be incumbered. Left to itself, it will flourish and expand—Touch it, it decays or dies."

The legislative council passed an ordinance on April 11, 1791, which provided that licenses for the Indian trade should no longer be required.⁸⁹ Traders going to the Indian country were no longer required to secure permits, even for the transportation of liquor, though in case of emergency, special regulations might be issued by the governor and council. This ordinance, which repealed the most important provisions of that of 1777, involved the abandonment of a system of control which had been consistently adhered to since the conquest of Canada. Under the skillful direction of the "merchants of Montreal," the fur trade was becoming powerful, well-organized, and independent. It was even passing beyond the stage where the surrender of the northwest posts need be regarded as a matter for grave concern and was prepared to enter upon an era of vaster schemes and expansion into new fields of activity. Thus far little attention has been given the economic and material aspects of the trade which made this growing power and prestige possible. These matters will be considered in detail in the chapters which follow.

⁸⁹"An Act, To explain and amend the Act entitled, 'An Act or Ordinance for promoting the Inland Navigation,' and to promote the Trade to the Western Country," *Canadian Archives, Report*, 1914-1915, p. 246.

CHAPTER V

THE ORGANIZATION OF THE FUR TRADE

The commercial interests which dominated the northwest fur trade during the Revolution and the years following reflected the British mercantile outlook of the eighteenth century. They saw in the trade the source of a valuable raw material in the form of peltry and likewise a market for British manufactures. Estimates of the value of the furs exported yearly from Canada to the London market during the last quarter of the century vary considerably, but it is probable that the average did not fall far short of £200,000 sterling.¹ Of this total, by far the largest share was yielded by the region of the upper lakes and the territory dependent thereon, whence came nearly five-sixths of all the furs exported from Quebec.

The value of the manufactures used in the fur trade from one year to another varied more than that of the furs for which they were exchanged. The returns of the trade licenses issued in the province of Quebec from 1777 to 1790 afford interesting data on this subject. The value of the merchandise, as given in the returns, ranged from £41,355 currency, in 1779, to £226,922, in 1783.² The goods for which the Indian exchanged his peltries included articles of a great many sorts, useful and otherwise. Rum was an indispensable part of every trader's outfit, without which he would never think of going into the Indian country, while guns, or "fusils," along with powder and shot were essential articles of

¹This is probably not far from the correct figure for the decade 1780 to 1790. One estimate, made in 1790, places the average annual value of the returns for the preceding ten years at £200,000 while another, based upon the returns for the five years preceding 1789, places it at the same figure. Statement concerning trade communicated by Mr. Inglis of Mark Lane, *Michigan Pioneer and Historical Collections*, XXIV, 686; Importation of Skins from Canada 1788 and sold in January, February and March 1789, *Canadian Archives, series Q*, XLIII-2, 826. There seems to have been a rapid increase in the value of the returns after 1790, for Todd and McTavish, in a report compiled probably about 1794, estimated the average annual value of the returns for the preceding five years at £250,000. *Michigan Pioneer and Historical Collections*, XXIV, 685.

²*Returns of Indian Trade Licenses.*

trade, since they furnished the savage with the means of carrying on his hunt. The "dry goods" which usually formed a part of the equipment included a great variety of manufactured articles, such as blankets, strouds, cotton cloth, kettles, knives and other tools, as well as trinkets of all kinds—mirrors, beads, arm bands, etc. Practically all of the dry goods as well as guns and ammunition used in the northwest trade were of British manufacture.³

A trade of these proportions, in which such tremendous distances were involved, naturally required rather highly developed business methods. The romantic nature of the contact between the Indian and the wilderness trader has furnished the theme for many a writer who has touched upon the history of the peltry trade. The actual barter for furs, which took place in the depths of the forest, thousands of miles away from civilization, does indeed constitute an important and withal a most fascinating aspect of the subject, but on the other hand it should be remembered that this wilderness traffic was but one incident in a long series of transactions which were necessary in order that the furs might be brought to the London market. Historically, the most important and at the same time the most neglected aspect of the whole subject has to do with the complex mechanism of distribution, the function of which was to effect the exchange of merchandise for peltry and bring the latter to market. In the following pages an attempt will be made to study the economic organization of the British fur trade during the last quarter of the eighteenth century, tracing its origin and indicating its most characteristic features.

The term "fur trader" is sometimes used indiscriminately to describe anyone commercially interested in the traffic in furs. The conventional picture has been that of a man in buckskin shirt and raccoon cap, dispensing "firewater" and trinkets to gullible savages, in return for furs worth ten times their value. It is true that in the early days of the British régime, the persons engaged in the trade more nearly approximated this conventional type than was the case later. Traders frequently obtained their outfits in person at Montreal or New York, carried them to some post in the interior, bartered them with the Indians, assisted per-

³"Journal of François Victor Malhiot, 1804-1805," *Wisconsin Historical Collections*, XIX, 216-233. These accounts and inventories afford a good idea of the kinds of articles used in the Indian trade.

haps by a clerk or an interpreter, and carried the furs thus obtained back to market. Alexander Henry, for example, in 1761 purchased an assortment of goods at Albany and at Montreal, personally supervised their transportation to Michillimackinac, and himself carried a portion of them to the interior, to be traded with the Indians. But for one man to buy his goods in person and carry them to the interior involved much loss of time and made it impossible for the merchant to spend each winter in the Indian country. In an account of his operations during these early years, Henry makes a significant statement. He says that in 1765 he began to prosecute the Indian trade anew, and that he purchased an outfit consisting of four canoe loads of goods, on twelve months' credit, at the post of Michillimackinac.⁴ Here we have early evidence of that organization of effort which became so marked a characteristic of the trade in the following years.

An idea of the method of organization of the institution which we call the fur trade is best conveyed by enumerating the principal groups of persons who participated therein. At the top of this great business system were the London houses, as for example, the firms of Robert Hunter; Watson and Rashleigh; Dyer, Allan, and Company; Brickwood, Pattle, and Company; and Phyn, Ellice, and Inglis. A list of the London firms interested in the northwest fur trade would include the names of some of the great merchants of the United Kingdom, men who did not hesitate on occasion to apply directly to his Majesty's ministers in their own interest or that of their correspondents on the other side of the water.⁵

Next in order came the great mercantile houses of Montreal—firms often referred to collectively as "the merchants of Montreal," whose business was the backbone of Canadian commerce. A list of the merchants of Montreal would include the names of men famous in the history of the Great Lakes' region, such as Isaac Todd and James McGill, of the firm of Todd and McGill, Benjamin and Joseph Frobisher, David McCrae, Alexander Henry, William Grant, Simon McTavish, William Kay,

⁴Alexander Henry, *Travels*, p. 183, 184.

⁵The names of the London merchants engaged in the fur trade may be obtained from business correspondence and also from memorials drawn up from time to time to be submitted to the ministry, as for example, those addressed to Lord Shelburne in 1783, found in the *Lansdowne Manuscripts*, LXXII, 455-462.

and many others. Many of these fur barons of Montreal were Scotchmen who had entered Canada soon after the conquest, supplanting the French merchants who had hitherto dominated the trade of the Great Lakes' region. While in some instances the origin of these Scotch merchants is obscure, their steady rise to wealth and power may be readily traced in the history of the industry with which their names are associated.⁶

A step farther down in this commercial hierarchy were the merchants located at Michillimackinac and Detroit, who supplied outfits to those who traded at the various dependencies of these posts in the interior. They were men of lesser means, usually, than the members of the Montreal firms, though it is obviously impossible to draw an absolutely clear line of demarcation between the two groups. Certain of the Montreal concerns supplied outfits directly to the small traders who went among the Indians, through representatives who visited the upper posts, but the business was more frequently transacted through the middlemen at Michillimackinac and Detroit.

Still a fourth group may be distinguished, made up of the traders already referred to, who spent the greater part of each year in the Indian country, living and trading in intimate contact with the savages. At the beginning, a great many of these small traders scattered throughout the interior were French-Canadians who had gone into the wilderness as traders and *engagés* during the French régime and remained after the coming of the British.⁷ There were, besides, numerous petty traders of English, Scotch, and Irish extraction, some of whom had entered the forest from sheer love of adventure, while others had been obliged to leave their homes for more urgent reasons.⁸ Here again it is impossible to distinguish sharply between the merchants having their headquarters at the upper posts and the traders who wintered in the Indian country,

⁶The *Returns of Indian Trade Licenses* contain the names of most of the merchants of Montreal who were interested in the fur trade between 1777 and 1790.

⁷In a list of passes granted by Lieutenant-governor Hamilton of Detroit between July 2 and August 15, 1777, appear the names of twenty-four traders, twenty of whom, from their names, appear to have been French-Canadians. *Canadian Archives, Department of Indian Affairs.*

⁸Hamilton to Dartmouth, August 29 to September 2, 1776, *Michigan Pioneer Collections*, X, 267.

since many of the former group occasionally dealt directly with the Indians. Some of those who wintered in the interior were merely hired clerks or agents of the merchants at the posts, being paid a certain wage for their services and not sharing directly in the profits of the trade.⁹

Though it is possible to enumerate roughly four groups of persons interested in the fur trade, the London merchants were the only class who may be regarded as having been entirely distinct, the other three merging into one another. Though it may not be strictly accurate, such a classification as has been attempted is convenient when one is considering the business relationships involved in the trade. Such a distinction also serves to emphasize the fact that the expression "fur trader" is capable of being used in more than one sense, for there was a wide gulf, socially and commercially, between the great London merchant who did not hesitate to communicate his desires to the representatives of the British government, or the merchant of Montreal who spent his days in a counting house, and the petty trader who bargained with the Indians in the wilderness, living more like a savage than a white man.

Attention will now be directed to the relations between the several groups which have been enumerated and for the purpose of this explanation it will be assumed that the later tendency toward combination has not yet manifested itself. First, let us consider the relationship between the small traders living in the remote interior and the merchants with their headquarters at Michillimackinac or Detroit. It may be assumed that a trader came in from the Illinois country to Michillimackinac. He went to the merchant at that post with whom he had been in the habit of dealing and presented a memorandum of certain articles which he needed for the trade of the coming winter. If the merchant considered his credit good, he made up an outfit and turned it over to the trader at the market price, with the understanding that the latter would settle for it when he brought in his returns the following season. In the ensuing spring when the trader came in from his wintering ground with the furs he had secured from the Indians,

⁹John Anderson, for example, acted as agent for John Askin of Detroit, at the trading post on the Miami (Maumee). Anderson to Askin, November 1, 14, and 24, 1794, *Burton Manuscript Collection*, III, 71, 88, 99.

he might either sell them in the open market at Michillimackinac and then settle with his outfitters, or he might turn them over to the latter at the market price, the proceeds to be applied on his account. Still another alternative was open to him, for instead of disposing of his furs at Michillimackinac, he might consign them to Montreal, or even to London, at his own risk, in order to secure the advantage of the higher prices which they might be expected to bring in those markets. In case he decided to send his returns down from the upper country for sale, his outfitter was very likely to act as his agent in the transaction. But no matter how the furs were disposed of, the average trader almost always obtained each season's outfit on credit.

The business carried on between the Montreal firms and the merchants of Detroit and Michillimackinac was usually done on a commission basis.¹⁰ The goods which were brought into the upper country were obtained through the medium of the Montreal houses, which imported them from England on commission, and supplied them to the merchants at the upper posts at a certain "advance" on the sterling cost.¹¹ There were certain articles of merchandise known as "cash goods," as rum, for example, for which the Montreal outfitter was obliged to pay ready money, and he charged the merchant interest on all goods of this sort which were furnished on credit. The outfits which were consigned to the merchants in the upper country were forwarded by the Montreal firm at the expense of the buyer, who was obliged to assume the risk attendant upon their transportation. The agent at Montreal superintended the business of making up the outfits, however, a task which involved the supervision of a good many details of one sort and

¹⁰There are in the Toronto Public Library, *Quebec Papers*, vol. B, 75, pp. 170-241, a number of accounts between David McCrae and Company of Michillimackinac, and William Kay, of Montreal, of dates ranging from 1778 to 1782. These accounts throw much light upon the business relations between the merchants of Montreal and those living at the upper posts, and constitute the source from which many of the details in the above description have been taken.

¹¹William Robertson of Detroit, describing the manner in which the merchants at that place obtained their goods, said, "They send their orders to an Agent at Montreal, who imports them under their marks and on their account and risk on Commission." Minutes of Proceedings of Committee of Council, October 24, 1788, *Michigan Pioneer Collections*, XI, 631. Some traders, on the other hand, purchased their goods directly from their Montreal correspondents.

another. First of all, canoes or bateaux must be secured for the transportation of the merchandise and men must be found to navigate them. These *engagés*, as they were called, were usually obtained at Montreal, or in the little parishes in that vicinity, and when a man was hired, it was necessary to enter into a contract, or *engagement*, with him before a notary public, this matter being attended to by the correspondent at Montreal. Provisions for the voyage had to be secured and certain articles advanced to the *engagé* for his personal use, the amount being charged against his wages. During the period before 1790, it was necessary to secure a license before any goods might be sent into the Indian country. A series of rapids rendered the St. Lawrence River just above Montreal unnavigable, so the goods had to be carried in carts to Lachine, whence the brigades departed for the upper posts. All these details were attended to by the Montreal concern and the expense involved was charged to the account of the customer at Detroit or Michillimackinac. In addition to the services which have been enumerated, the firm at Montreal acted in the capacity of banker for its customers. Thus, if a merchant at Michillimackinac desired to pay the wages of his *engagés*, or meet any other obligation, in fact, he might draw upon his agent at Montreal in favor of the person to whom he was making the remittance and thus the conduct of his business was greatly facilitated.¹²

Besides supplying goods to the merchants in the upper country, the Montreal firm also acted as agent for the sale of the returns in peltry which were sent down from time to time, either in sailing vessels by way of the lakes or by canoe down the Ottawa River. The merchant usually consigned any peltry he had on hand to his agent, who was instructed either to sell it as advantageously as possible in the market at Montreal, or to ship it to England to be sold in London. In the latter case, the merchant in the upper country relied upon his correspondent to see that the furs were properly packed and shipped, the latter in turn consigning them to his London agent, who assumed responsibility for plac-

¹²See, for example, Reeves to Grant, Campion, and Company, August 31, 1794, in the *Baby Manuscripts* in the Bibliothèque St. Sulpice, Montreal. These manuscripts include a mass of correspondence and miscellaneous documents relating to the fur trade carried on from Michillimackinac.

ing them upon the market. Whichever method was followed, the merchant at Montreal simply acted in the capacity of agent for his customer and the furs remained the property of the latter until they were actually sold.¹³ Furs, it should be said, were always a salable commodity, and merchants both at the upper posts and at Montreal frequently speculated in them, in the hope of being able to dispose of them at a profit.¹⁴

Just as the Montreal firm acted as agent for the merchants and traders in the upper country, so the mercantile house in London performed a similar service for its correspondents in Montreal. Besides supplying them with goods it superintended the marketing of the furs which they shipped from Canada, seeing that they were properly unloaded and stored in warehouses, and later preparing them for the fur sales. The expense items which the London merchant charged in his "account of sales" were for unpacking, trimming, beating, sorting, lotting, telling, etc. In short, the London firm transacted all the business incidental to the marketing of the furs, for which he charged a commission, as well as interest on sums of money which he advanced from time to time.¹⁵

Perhaps a concrete case may make a little clearer certain of the relationships which have been described in general terms. There is fortunately available for the purpose a series of letters

¹³Reeves to Grant, Campion, and Company, July 9, 1794, *Baby Manuscripts*; "Account Sales of Furs, &c., received p the Betsy Captⁿ William Boyd from Montreal & sold by order of Mess^{rs}. William and John Kay for Account of David McCrae & Co.—London 6. May 1779 p Robert Hunter," in Toronto Public Library, *Quebec Papers*, vol. B, 75, p. 240; examination of William Robertson, October 25, 1788, *Michigan Pioneer Collections*, XI, 631.

¹⁴Furs were even the principal circulating medium in the Illinois country at the time of the Revolution. Alvord, *Kaskaskia Records*, p. 15. When the British occupied Canada, furs were likewise the medium of exchange at Michillimackinac, but as business developed, drafts and "notes of hand" came into use. A. Henry, *op. cit.*, p. 55.

¹⁵Brickwood, Pattle, and Company's account "Sales of 3 Bales of Furs I. G. R. received of the Indian Trader Captⁿ John Edwards from Montreal, by address of Mess^{rs} Grant, Campion & Co. Merch^{ts}. there on the proper Accot. & Risque of W^m. Grant Esq^r. of three Rivers," London, April 20, 1793, *Baby Manuscripts*; "Account Sales of Furs &c received p the Betsy Captⁿ William Boyd from Montreal & sold by order of Mess^{rs}. William and John Kay for Account of David McCrae & Co— London, 6. May 1779, p Robert Hunter," Toronto Public Library, *Quebec Papers*, B, 75, p. 240.

written during the year 1794 by John Reeves, a small merchant at Michillimackinac, to Grant, Campion, and Company of Montreal.¹⁶ Although no correspondence of the Montreal firm is available, it is possible through that of Reeves alone to form a fairly clear idea of the nature of the business relationships between them. At his headquarters at Michillimackinac, Reeves made up the outfits which he sold to the traders going out into the Indian country each fall, and received the peltries which were carried back in the spring. Grant, Campion, and Company acted as his agents at Montreal, forwarding the goods which he needed in his trade and disposing of the furs which he consigned to them.

In his first letter, dated June 17, 1794, Reeves has little news of interest for his correspondents. None of the traders has come in from the wintering ground as yet, but he fears lest those who have been in the Lake Superior country and the Mississippi have not done very well, and that some have not even made sufficient returns to pay their *engagés*. There is still no news from the Indian country four days later, when he writes to inform his correspondents that he is drawing on them for the wages of two of his men who are in Montreal. By July 6, however, the traders are beginning to come in with their returns and his forebodings are justified, for Papin and Roy, two traders whom he has supplied with goods, have brought in few furs, so much the worse for Reeves himself and those to whom he is indebted. Three days later, on July 9, he sends his first consignment of furs, consisting of twenty-nine packs, to his correspondents at Montreal, whom he authorizes to sell them as advantageously as possible, and he likewise asks for information concerning the state of the fur market, in order that he may govern future transactions accordingly. The furs which he sends down are some he has purchased from Roy and Benito who are just in from the wintering ground and he has been obliged to pay rather dearly for them. Notwithstanding their price, the furs come to only a little over 9,665 livres while the amount which the traders originally owed him was 34,000 livres but it is the best he has been able to do. He is also sending down a remittance of 8,728 livres which he desires placed to his credit, in the form of a draft given by a Mr. Todd, to whom Papin, the

¹⁶*Baby Manuscripts.*

trader mentioned in a previous letter, sold his furs.¹⁷ He has heard no news as yet from Tabeau, another of his customers, and rather dreads his arrival, fearing he may have done no better than those who have already come in. Reeves takes occasion on August 19 to make another remittance to Grant, Campion, and Company; and while it is about all they may expect from him this year, he hopes that he will be able to settle his account in full the following season. There is still no news of Tabeau and a good many are of the opinion that he will not come in to the post at all, but Reeves himself has not given up all hope. He has decided that his furs may as well be sold in Montreal as they are too few to make it worth while to ship them to London on his account. Also, can Grant, Campion, and Company furnish an outfit of two canoes next spring, which two traders resorting to the post have asked him to furnish? While their credit is good, he does not desire to enter into any definite agreement with them until he shall hear from Montreal. By August 31, the long-awaited Tabeau has at last come in, and Reeves has been obliged to buy his furs, fearing that otherwise they may be sold to someone else, in which case he will get nothing for himself. The peltry purchased from Tabeau, along with a few beaver which he has picked up at a low price, is being made up into packs which will be sent down to Montreal, this time by way of the lakes instead of the Grand River. The debts which Papin and Tabeau still owe are giving him considerable anxiety as he fears they will not be discharged for a long time. They owe Reeves himself 28,715 livres while they are indebted to their other creditors to the amount of at least 36,000 livres. The details contained in this correspondence are in themselves of little importance, but collectively, they throw considerable light upon certain business aspects of the fur trade, illustrating as they do the character of the relationship between the Michillimackinac

¹⁷This transaction illustrates the principle of *dernier equipement*, or "Privilege of last Outfitter & Canoe-men." Because of the very considerable risk which the merchant was obliged to assume when he advanced goods to a trader, there grew up a "Law of Custom" which gave the merchant a lien on the returns which the customer was able to acquire, after the wages of the canoe-men had been paid, the *engagés*, because of the arduous nature of their work, being given first lien. *Michigan Pioneer Collections*, XI, 475. Thus when the trader Papin sold his furs to Todd, the latter gave a draft which was placed to the account of Reeves, who had furnished a part of Papin's outfit.

merchant and the Montreal firm, while at the same time revealing some of the troubles and anxieties attendant upon the conduct of the business. The life of the fur trader was by no means all romance.

It is clear from the account which has been given that almost every step in the fur trade process was based upon rather long-time credit. The merchants of Montreal almost invariably obtained their supplies from the London firms on credit, making the goods up into outfits which they advanced to their customers at the upper posts. In the spring the small trader came in to Michillimackinac or Detroit from the Indian country with his peltry and set out again in the late summer or fall with an outfit obtained from the merchant with whom he dealt, still on credit. The proceeds derived from the sale of the furs he carried in with him were almost invariably used to pay for the outfit which had been secured the preceding season and which had been consumed during the past winter in trading for the peltry which he carried in with him. Considering the basis upon which the trade was conducted, it is not difficult to understand how poor returns in furs, owing to war, unsuccessful hunting, or any other cause, would affect the whole industry. If the trader in the Indian country had poor success, it meant that not only his outfitter, but also the merchants of Montreal and London would be obliged to defer the settlement of their accounts. It is very common in the correspondence of the fur trade to find the firms at Montreal urging their customers at Michillimackinac and Detroit to make their payments as promptly as possible, in order that they themselves may be able to meet their obligations to their London agents.¹⁸ In similar fashion, the letters of the merchants in the upper country frequently reveal anxiety concerning the returns which may be expected from their customers in the interior, upon which they are relying in order to make their remittances to Montreal. Even the forest trader had his business difficulties, for a large part of his goods were advanced to the Indians on credit and he was obliged to depend upon the outcome of the season's hunt for his returns.

Inasmuch as the fur trade was conducted on a credit basis, it is apparent that at any given time, the merchants of Montreal

¹⁸McGill to Askin, April 12, 1786, *Wisconsin Historical Collections*, XIX, 261.

and London had very considerable sums tied up in the business. This situation was also partly due to the fact that a considerable period of time must necessarily elapse before the exchange of merchandise for furs could be effected, anywhere from two to three years being ordinarily required to send goods from London to the Indian country, exchange them for peltry, and carry the returns back to the English market.¹⁹ The length of time required varied of course with the distance which the goods and furs must be carried. The Canadian merchants, in their report to the "Committee of Council on Commercial Affairs and Police," rendered in 1786 or 1787, stated that the balance owed by the Indian trade to the province of Quebec, and principally to the city of Montreal, was at least £300,000.²⁰ This situation explains why the Canadian and English merchants gave such close attention to political events which might be expected to affect the commerce of the province of Quebec and used every influence at their command in an effort to preserve the friendship of the Indians of the Northwest.

The fact that a large part of the business was based upon credit helps to explain why everyone concerned in the fur trade was so eager for information, whether it was concerning the state of the London market or the prospect for the fall hunt. A large part of the correspondence which has come down to us has to do with conditions which might affect the trade. The state of the market was extremely important since a large number of the peltries sent to England ultimately found their way to various European countries and to China, and shifts and changes of European politics rarely failed to affect the London fur market to a greater or lesser degree. The traders in the Indian country as well as those at the upper posts must know approximately how the different varieties of furs were selling in order to be able to regulate the prices of their goods and in order to know what kinds of peltry it would be to their advantage to buy. The firms at Montreal and London were no less ready to furnish such information than the merchants of the interior were to receive it. Thus James McGill wrote to John Askin in 1786, "I cannot yet say anything certain to you about the price of Furrs, but I am persuaded deer skins

¹⁹L. R. Masson, *Bourgeois de la Compagnie du Nord-Ouest*, I, 51, 52; Mackenzie, *Voyages* (ed. 1902), I, li.

²⁰*Michigan Pioneer Collections*, XI, 473. This report was probably compiled some time between October, 1786, and June, 1787.

have sold badly & I fear Bear & otter have had a tumble. I advise you strongly to change all your late fall & winter deer Skins for Racoons & Picheux [lynx] but Foxes are really worth no more than 4 sh. york."²¹ Occasionally rather pointed criticisms were made of the variety and quality of peltry consigned to Montreal for sale. Todd and McGill wrote to Askin again in the same year as follows: "Part of the Packs A B being come to hand we cannot help taking nottice to you of this [sic] apparently inferior quality, they appear all to be long hair Skins, which are of all the others the worst; inso-much that a Battoe load of them is not worth the expense of sending for them to S^t. Dusky were they to be got on the Beach. now that you have got into a Company at Detroit, if you do not adopt some measure to prevent the Traders from taking such trash, ruin must insue infallibly. we request of you also to advise that the Chuck Skins tho mostly in good Season, are exceedingly unfit for the London Market, owing to the manner in which they were stretched and altho' Mr. Vigoe may be of opinion that the Skins are not the less good, we can assure you that their value is much inferior at that Market by which we must all be regulated."²²

Something has been said in previous chapters of the strenuous competition which was characteristic of the fur trade, particularly during its early history. This was the more serious because of the comparative absence of any restraint upon the activities of the traders in the depths of the wilderness, far from any military or civil authority. It is evident from the letters and diaries which have come down to us that competition was one of the most serious evils which affected the fur trade, leading to business demoralization and oftentimes to actual physical violence.

Thus it will be seen that a variety of conditions tended to make an ultimate combination of interests not only desirable but inevitable. The complexity of the organization of the business itself, the credit basis upon which it was conducted, and the evils of unrestricted competition all contributed toward this end.

²¹McGill to Askin, April 12, 1786, *Wisconsin Historical Collections*, XIX, 262.

²²Todd and McGill to Askin, July 16, 1786, *Wisconsin Historical Collections*, XIX, 265. For similar correspondence, see Todd and McGill to Askin, December 20, 1786, *Burton Manuscript Collection*, I, 217; Frobisher to Brickwood, Pattle, and Company, May 18, June 30, and October 16, 1778, *Letter Book of Joseph Frobisher*, p. 10, 20, 59.

During the last quarter of the eighteenth century there was a decided movement in the direction of combination and it was during this period that the powerful companies which came to dominate the fur trade had their origin. The degree of centralization and coöperation which was attained varied, from the simple agreement between individual traders and firms, to the rich and powerful North-West Company. The significance of this revolution in the industry may best be explained by a consideration of the various types of organization which appeared, proceeding from the relatively simple types to the more complex.

At the time of the Revolution, David McCrae, John Kay, Peter Barthe, and Charles Gratiot were associated in a joint concern having its headquarters at Michillimackinac, and operating under the name of David McCrae and Company, their Montreal correspondent being the firm of William and John Kay. On April 6, 1778, David McCrae and Company entered into a contract with the Montreal concern by which the latter agreed, for the space of three years, to furnish them with such merchandise as they might need, to make up the outfits and send them off each year, to advance the money necessary to engage men and purchase provisions and canoes, and in short to transact all the business incident to their trade at Montreal.²³ David McCrae and Company were to pay for the goods furnished them at the rate of fifty per cent Halifax advance on their sterling cost, and in case William and John Kay were obliged to supply any "cash goods," the Michillimackinac firm was to pay interest from the time of purchase at the rate of six per cent. Interest was also to be paid upon any other cash advances. David McCrae and Company agreed to consign all of their furs to the Montreal house. The value of this peltry was to be appraised by James McGill and John Porteous, of Montreal, and William and John Kay had the option of taking it at the estimated value, or of disposing of it to anyone who would give that amount, or more. Bearing in mind the distances involved and difficulties of communication, the advantages in such an arrangement are obvious. The written agreement served to David McCrae and Company as a guarantee that their interests at

²³"Agreement for the Indian Trade Between David McCrae and Company of Michillimackinac and William and John Kay of Montreal, April 6, 1778," Toronto Public Library, *Quebec Papers*, vol. B, 75, p. 168.

Montreal would be properly cared for, thus enabling them to devote their entire attention to their business in the upper country.

In the arrangement which has just been described, there is no suggestion of a partnership between the merchants of Michillimackinac and the Montreal company. There were additional advantages to be derived from an agreement involving a partnership, whereby one concern should control the business both at Montreal and at the upper posts. A partnership along these lines was entered into between Richard Dobie and James Grant in 1787, and is of particular interest because it was based upon a principle very similar to that underlying the North-West Company.²⁴ The two merchants entered into the agreement for a period of seven years, for the purpose of carrying on the Indian trade at Temiscamisque and its dependencies. For the first three years, Dobie was to hold two one-third shares and Grant, the remaining one-third share in all the outfits of the trade; after that period, the partners were to share equally. The same principle was to apply with respect to any profit or loss. Dobie undertook to furnish all the articles used in the trade upon terms stipulated in the agreement and to transact all business at Montreal without charging any commission. Grant, on the other hand, agreed to winter at such places as he might consider most advantageous and to trade with the stock entrusted to him to the best of his ability. The furs were to be sold in Canada or shipped to England by Dobie, according to the state of the market. The position of James Grant in this arrangement bears more than a superficial resemblance to that of one of the "wintering partners" in the North-West Company.

Another type of organization was designed to do away with the evils of competition in a given region and to make possible a more effective supervision of the trade in the Indian country, protecting it from the violence and disorder which so often prevailed. It was primarily to preserve order that the General Store was formed at Michillimackinac in 1779. This was a kind of partnership organized at the instance of Major De Peyster, who was then commandant at that post, and who urged it as a measure necessitated by the war.²⁵ Each merchant who signed the articles

²⁴"Articles of Agreement between Richard Dobie and James Grant, Merchants of Montreal," Beek, 1787, No. 254, *Archives of Montreal*.

²⁵De Peyster to Haldimand, October 5, 1779, *Michigan Pioneer Collections*, IX, 398. The articles of agreement are printed in *ibid.*, X, 305. In vol.

agreed to put all his goods into the store at a price agreed upon by a committee, and bound himself not to carry on any private trade with the Indians. The proceeds were to be divided among the members of the concern in proportion to the goods which each contributed. Persons were to be chosen to winter among the Indians by a general vote of the subscribers, subject to the approval of the commandant of the post. One committee was designated, whose duty it was to organize the various departments in which the trade should be carried on, while another group was entrusted with the general supervision and management of the enterprise. The articles were signed on July 1, 1779, and were to remain in force until July 31, 1780. It should be noted that this agreement in no wise altered the relationship between the individual traders and their correspondents at Montreal, the partners in the General Store continuing to obtain their goods from Montreal as heretofore. The plan succeeded fairly well in that it maintained a semblance of order in the region dependent upon Michillimackinac, and the agreement seems to have been renewed at the expiration of the first year. There had been some dissatisfaction with the original scheme, however, and certain changes were made in the management of the concern. From the viewpoint of the individual merchant, unrestricted trade appeared for the time to be more desirable than any additional security which might attend a coöperative enterprise.²⁶

In 1785, the merchants of Michillimackinac, this time upon their own initiative, pooled their interests in an organization which was sometimes called the General Company of Lake Superior and the South, but more frequently referred to simply as the

IX, 658, is a "List of the Proprietors of the General Store at Michillimackinac, the Number of Canoes each person has put in, their supposed value, and the present Residence of each Proprietor." The document is undated, however, and there is on the face of it nothing to indicate whether it pertains to the establishment of 1779, or some later agreement. Its position among the Haldimand papers would seem to indicate that its date would fall somewhere in 1780. It is very probable that the list has reference to the condition of the store at some period in the year 1780, whether under the original articles or not it is impossible to say. It is unfortunate that the list is undated, as it contains some very interesting information.

²⁶Sinclair to Haldimand, July 8, 1780, *Michigan Pioneer Collections*, IX, 561.

General Society or the General Store.²⁷ The conditions which gave rise to this concern were somewhat different from those which had led to the establishment of the General Store of 1779. The close of the Revolution ushered in an era of tremendous competition in the northwest fur trade. The market was glutted with merchandise and the only solution seemed to lie in some sort of combination which might regulate the flow of goods to the interior.²⁸ The agreement of 1785 was to last for a period of three years. The operations of the company extended over a wide range of country in the upper part of the Mississippi Valley, from Lake Superior southward to the Illinois country, and from Lake Michigan to the tribes dwelling far west of the Mississippi in Spanish territory. Three departments were organized and placed in charge of three directors; Charles Patterson was to superintend the trade of the upper Mississippi, Etienne Campion that of the lower Mississippi, while John Sayer was to take charge of the affairs of the company in the Lake Superior region.²⁹ The enterprise seems to have been far from successful at the outset, however, Joseph Howard being authority for the statement that in 1786 the company did not receive returns on more than two fifths of the outfits sent into the Indian country.³⁰ Though the original agreement was for a term of three years, Jean Baptiste Perrault says that the company broke up in 1787, due to the mismanagement and inexperience of a number of clerks who were thrown upon their own responsibility

²⁷Perrault Narrative, *Michigan Pioneer and Historical Collections*, XXXVII, 536. There are numerous references to the concern in the Proceedings of a Court of Inquiry to inquire into certain abuses committed by persons employed in the Indian department, 1788, *ibid.*, XI, 514 ff.; Edgar to Clark, October 23, 1786, Alvord, *Kaskaskia Records*, p. 395.

²⁸The exportation of goods into the Indian country reached the high water mark about 1783, when the value of the merchandise for which licenses were issued was given as £226,922 currency. *Returns of Indian Trade Licenses*. Statistics for the year 1784 are not available, but beginning with 1785, there was a decline, and in 1787, the value of the goods exported dropped to £97,972. These returns bear out the many statements occurring in the correspondence of the time, to the effect that the market was glutted with merchandise, a fact which caused great depression in the trade. Henry to Edgar, November 12, 1786, *Letters and Accounts of the North-West Co.*, 77; Askin to Todd and McGill, June 22, 1786, *Burton Manuscript Collection*, I, 181.

²⁹See Perrault Narrative.

³⁰Memorial of Joseph Howard, January 11, 1787, *Canadian Archives, Department of Indian Affairs*.

after the death of Charles Patterson, director for the department of the upper Mississippi.³¹

Conditions similar to those which have just been described led to the formation of the Miami Company by the merchants of Detroit. The trade at that post was in a very depressed state during the years following the Revolution, since far more goods were sent into the Indian country than could be profitably disposed of, while the unrest of the Indians in the region northwest of the Ohio rendered the trade still more precarious for the individual merchant.³² In order to avoid the evil effects of the competition from which they were all suffering, a group of Detroit merchants engaged in the Indian trade entered into a general partnership which was known as the Miami Company. The agreement was probably formed in 1786 and the stock was divided into six shares, which in 1789 were held by the following Detroit merchants: Leith and Shepherd; Sharp and Wallace; Meldrum and Park; James Abbott; Angus Mackintosh; and John Askin.³³ The company supplied outfits to traders resorting to the post of Detroit and at the same time carried on some trade of its own in the Indian country by means of hired clerks, who were forbidden to do any business on their own account.³⁴ At the time when the enterprise was launched, the members were of the opinion that their outfits might be reduced to less than half what they formerly amounted to, taken separately, and still they expected that their individual profits would be at least equal to, or greater than they were before the formation of the company—all of which is an interesting commentary upon the depression which had resulted from extreme competition.³⁵ There is no way of learning to what

³¹*Michigan Pioneer and Historical Collections*, XXXVII, 545.

³²Henry to Edgar, September 1, 1785, *Letters and Accounts of the North-West Co.*, p. 67; March 5, 1786, *ibid.*, p. 71; November 12, 1786, *ibid.*, p. 77; October 22, 1787, *ibid.*, p. 81.

³³Askin to Todd and McGill, June 22, 1786, *Burton Manuscript Collection*, I, 181; Power of Attorney to John Askin by the Miami Company, September 22, 1789, *ibid.*, p. 299.

³⁴Askin to Vigo, March 15, 1786, *Burton Manuscript Collection*, I, 151; "Agreement between the Miamis Co. and Gabriel Hunot, Trader," September 13, 1787, *ibid.*, p. 249; Instructions to Gabriel Hunot, September 13, 1787, *ibid.*, p. 253.

³⁵Askin to Todd and McGill, June 22, 1786, *Burton Manuscript Collection*, I, 181.

extent their expectations were realized, but in general, the Indian trade of Detroit during this period does not appear to have prospered.³⁶

The several organizations considered thus far have embodied, in each instance, one of two distinct principles; either the combination of certain business interests at Montreal and in the upper country under one management; or the organization of groups of traders in certain areas of the upper country, under conditions approaching exclusive control. It was inevitable, sooner or later, that these two principles should be combined in a single organization and this did take place in the case of the North-West Company, which is by far the most important fur trading enterprise which arose during the period under consideration. A great deal has been written concerning the extremely complicated history of this famous company and it is not proposed to repeat the story in these pages. But an effort will be made to show how the history of the company reflects the tendency toward combination in the fur trade which appeared during the last quarter of the eighteenth century.³⁷

A comparison between the Hudson's Bay and North-West companies reveals a remarkable contrast. The former came into existence as the result of the granting of a royal charter in 1670, which gave to the "Governor and Company of Adventurers" exclusive rights, both of trade and of jurisdiction, throughout the

³⁶It is not even certain how long the company continued in operation. That it was still in existence in 1789 is indicated by the power of attorney granted to Askin in that year. *Burton Manuscript Collection*, I, 299.

³⁷There is a very extensive literature relating to the North-West Company. For a detailed and scholarly study, see G. C. Davidson, *The North-West Company*. One of the most satisfactory and interesting early accounts is Alexander Mackenzie's "A General History of the Fur Trade from Canada to the North-West," which appears as an introduction to his *Voyages*. There is in the Royal Colonial Institute an anonymous document entitled, "Sketch of the Fur Trade of Canada, 1809," which contains a very interesting account of the early history of the North-West Company. A photostat of this document is in the Canadian Archives. The fate of the great body of records which must have been accumulated by the company is an historical mystery. The available documentary material is extremely miscellaneous and scattered. One of the most important "finds" of recent years is a manuscript volume of minutes of meetings of the North-West Company held at Grand Portage and Fort William, and covering the period 1801 to 1808. This document is among the *Baby Manuscripts* in the Bibliothèque St. Sulpice.

vast region described in the charter. The North-West Company, on the other hand, never had a charter, and owed its existence solely to the enterprise and determination of the Canadian merchants whose activities constitute the chief theme of this study. In the absence of special privilege, competition was the keynote of its early history and its destinies were determined by the law of the survival of the fittest.

The origins of the company are obscure, again in contrast to the Hudson's Bay Company; even the exact terms of the earlier agreements, upon the basis of which the company came into existence, are unknown.³⁸ Within a very short time after the conquest of Canada, British traders had penetrated the region beyond Lake Superior. The scope of their activities had been rapidly extended, and this process of expansion had continued, even during the period of the Revolution.³⁹ During these early years, competition was keen and at times disorder was rife, to so great an extent that in the summer of 1778, the commandant at Michillimackinac sent an officer and a half dozen men to Grand Portage to assist in keeping order.⁴⁰ Conditions of this sort led to the formation of tentative agreements among the merchants engaged in the northwest trade⁴¹ and it is interesting to note that as early as 1778, one of the resulting combinations must already have assumed considerable importance. In that year, John Askin, who was then at Michillimackinac, referred in a letter to "the great Co. (as we must now term them for distinction Sake)." The term "North-West Company" had also come into use.⁴²

By 1779, however, we are on a little surer ground, for in that year nine concerns, whose names have survived, combined their stocks in a joint enterprise which was to last for a year. The

³⁸For a discussion of the origin of the concern, see Davidson, *op. cit.*, chap. 1.

³⁹Benjamin and Joseph Frobisher to Haldimand, October 4, 1784, *Canadian Archives, Report*, 1890, p. 50.

⁴⁰De Peyster to Haldimand, September 16, 1778, *Michigan Pioneer Collections*, IX, 370; Askin to Beausoleille, May 18, 1778, *Wisconsin Historical Collections*, XIX, 239.

⁴¹Masson, *op. cit.*, p. 11; Mackenzie, *op. cit.*, p. xxxv; *Canadian Archives, Report*, 1890, p. 50; *Wisconsin Historical Collections*, XVIII, 314, n. 39.

⁴²Askin to Frobisher and McGill, June 13, 1778, *Wisconsin Historical Collections*, XIX, 245; Askin to Todd and McGill, June 14, 1778, *ibid.*, p. 248.

agreement was renewed in 1780 for three years, but was discontinued before the term had expired.⁴³ The winter of 1783-1784, however, witnessed the formation of a partnership which, though often reorganized, had a continuous existence until the union of the North-West and Hudson's Bay companies in 1821. The company thus formed consisted of sixteen shares and was intended to last for a period of five years. No capital, in the ordinary sense of the word, was put into the enterprise, but each year, the members supplied goods in proportion to their respective shares in the concern. Benjamin and Joseph Frobisher and Simon McTavish were made directors, or agents of the company, and assumed responsibility for the management of the business at Montreal. They supervised the preparation of the outfits each year and disposed of the furs received from the upper country. The licenses which must be secured before the goods might be transported to the upper country were issued in their names. The members of the concern who conducted the trade in the interior came to be known as "wintering partners." This form of organization tended to centralize control of the trade in the region beyond Lake Superior and to ensure an efficient conduct of the business between Montreal and the upper country.⁴⁴

The early agreements which formed the basis of the North-West Company were for limited periods and there were frequent reorganizations which often resulted in an increase in the number of shares. In 1787, the number was increased to twenty; in 1798, to forty-six; in 1802, to ninety-two; and in 1804, to one hundred.⁴⁵ At the same time, the territorial range of the company's activities was rapidly extended throughout the Northwest and any list of the posts maintained by the concern would reveal the extent of its far-flung dominion. Exploration went hand in hand with trade, and the names of many of the North-West partners stand high in the annals of geographical discovery in North America. The extent to which the affairs of the company had prospered

⁴³Davidson, *op. cit.*, p. 9, 10; Grant to Haldimand, April 24, 1780, *Canadian Archives, Report*, 1888, p. 61.

⁴⁴Davidson, *op. cit.*, p. 11, 12; *Wisconsin Historical Collections*, XIX, 163, n. 20; Frobisher to Mabane, April 19, 1784, *Canadian Archives, Report*, 1888, p. 63; Mackenzie, *op. cit.*, p. xlii; Masson, *op. cit.*, p. 20; *Returns of Indian Trade Licenses*.

⁴⁵Mackenzie, *op. cit.*, p. xlv; Davidson, *op. cit.*, p. 74, 77, 84.

toward the close of the eighteenth century is revealed by the fact that at the time of the reorganization of 1798, there were in its employ fifty clerks, seventy-one interpreters, 1120 *voyageurs*, and thirty-five *guides*.⁴⁶ It has been said that "For keen, hard, shrewd efficiency the North-West Company was perhaps the most terribly effective organisation that had ever arisen in the New World."⁴⁷

The features of its organization which have been mentioned made possible a unity of direction in the affairs of the company which constituted an enormous asset. Annual meetings were held during the earlier years at the rendezvous at Grand Portage, and after 1803 at Fort William, on the Canadian side of the boundary. These meetings were attended by the wintering partners and by certain of the agents from Montreal. Business of all sorts was transacted. Price schedules were agreed upon, wages were fixed, new partners were admitted, and disciplinary measures were adopted, to be applied to the employees of the company at the posts in the interior.⁴⁸ One feature of the organization proved to be an element of great strength and was afterwards adopted by the Hudson's Bay Company. This was the provision which made it possible for certain of the younger clerks to secure admittance to the company after an apprenticeship during which they should have demonstrated their efficiency and faithfulness.⁴⁹

It must not be assumed, however, that the formation of the North-West Company resulted in the total elimination of competition. On the contrary, its entire history was one of struggle, in one form or another. There was serious opposition at the very outset, in 1784, when certain discontented elements formed a rival concern which held out until 1787.⁵⁰ A few years later, further opposition appeared, owing in part to dissension within the ranks of the company itself, and in 1798 it crystallized in the formation of the X Y, or New North-West Company. After a period of wasteful and somewhat disorderly competition, the opposing

⁴⁶Mackenzie, *op. cit.*, p. liii.

⁴⁷Quoted in Schooling, *The Hudson's Bay Company, 1670-1920*, p. 31.

⁴⁸Minutes of the North-West Company, *Baby Manuscripts*.

⁴⁹Davidson, *op. cit.*, p. 17.

⁵⁰Masson, *op. cit.*, p. 21; Selkirk, *A Sketch of the British Fur Trade in North America: with Observations relative to the North-West Company of Montreal*, p. 11; Mackenzie, *op. cit.*, pp. xlii-xliv.

interests were reconciled by an agreement adopted in 1804.⁵¹ An interesting chapter in the later history of the North-West Company is concerned with its relations with the Michillimackinac, South-West, and American Fur companies. These organizations, which arose early in the nineteenth century, were largely interested in the trade of the region to the south of that occupied by the North-West Company. Instead of entering into conflict with these new concerns, the Canadian merchants showed a tendency to enter into regional agreements with them, which defined their respective spheres of influence and thus avoided competition. In fact, some of the merchants of the North-West Company were themselves interested in the Michillimackinac and South-West companies.⁵² The relations between the North-West and Hudson's Bay companies were more or less openly hostile until the former was taken over by the latter under the terms of the agreement of 1821.

Thus the entire history of the North-West Company reflects the tendency toward consolidation which is the central theme of this chapter. Through a close form of organization, ruthless suppression of competition in some quarters, and agreement with potential rivals concerning spheres of influence in others, the company extended its power and increased its wealth. But even these means were regarded as insufficient. As the scope of its activities approached the Pacific, it sought a more substantial basis for a monopoly. In 1811 and in 1812, the company petitioned the Privy Council for a charter which would have conferred exclusive rights of trade in a vast region extending from the Rocky Mountains to the Pacific.⁵³ In other words, the goal sought by the North-West Company was a monopoly resembling that which the Hudson's Bay Company had enjoyed for so long. The petition was not granted, however.

⁵¹Davidson, *op. cit.*, chap. 4, *passim*.

⁵²These relationships are discussed in an article by the writer, entitled "Fur Trading Companies in the Northwest, 1760-1816," in *Mississippi Valley Historical Association, Proceedings*, 1916-1917, pp. 283-291. The regional agreements referred to above are to be found in the minutes of meetings of the North-West Company, in the *Baby Manuscripts*.

⁵³Petitions of the North-West Company for a charter, Davidson, *op. cit.*, Appendices, K and L.

In addition to the tendencies which have been noted, a study of the returns of trade licenses issued from 1777 to 1790 clearly indicates that the trade between Montreal and the upper country was becoming centered in fewer hands. The number of individual traders and companies licensed to carry goods to the upper country in 1790 was only about half the number to which passports were issued in 1777. During the earlier years, the names of a great many small traders appear whose outfits consisted of but a single canoe load of goods, while in 1790, on the other hand, the name of but one trader appears in the returns, whose outfit consisted of a single canoe. The economic conditions which characterized the fur trade favored the development of the large-scale enterprise, the small trader tending to disappear, with the result that before 1800, the tendencies which were to centralize the control of the trade in the hands of two or three great companies were in the ascendant.

CHAPTER VI

THE METHODS OF THE FUR TRADE

A comprehensive study of the fur trade must recognize several factors besides organization and business methods. The life of the wilderness trader and his relations with the Indians, the world fur market, methods of transportation, and a great variety of conditions ranging from weather and climate to war and diplomacy, all must be taken into account. Most descriptions of what may be called the methods of the fur trade seem hopelessly inadequate when written at second hand, especially to anyone familiar with the sources. Thus, the life of the wilderness trader is nowhere portrayed so vividly as in his own words, and journals and diaries of fur traders are so numerous and so accessible that any attempt to summarize their contents seems superfluous. The following description of certain of the more incidental aspects of the fur trade makes no pretension to completeness. Its purpose is merely to assist the reader in arriving at a clearer conception of the fur trade as an institution which absorbed the energies of a large number of people of many different classes, and which likewise reflected many of the characteristics of "big business," even as the term is understood today. Many interesting and picturesque details are necessarily omitted, but anyone who so desires may find them for himself in the original journals and diaries.

While the somewhat complicated business organization which grew up in connection with the traffic in furs underwent a remarkable transformation in the latter part of the eighteenth century, the wilderness trade itself, owing to its nature and the conditions under which it was conducted, changed but little. Methods of barter, modes of transportation, and the routine of the trader's existence, did not differ materially from those which had prevailed under the French régime. The Indian nature remained the same while there was little change in the physical aspects of the wilderness which was the scene of the trader's activities. Upon the approach of winter, the Indians were accustomed to leave their summer camps and seek the hunting grounds. It was the practice of the traders either to follow the savages to their wintering grounds, or to establish themselves at strategic points where they

might intercept them as they passed back and forth through the interior or returned in the spring with their peltry. So in the late summer or fall, before the ice should render the streams impassable for their canoes, the trader departed from Michillimackinac or Detroit, or wherever his rendezvous might be, for the Indian country. Having selected a suitable spot, he erected a shelter of some sort and made ready to begin his winter's traffic.¹

As soon as his whereabouts became known, he was very likely to receive visits from bands of Indians hunting in the neighborhood; and if they brought furs with them, he endeavored by shrewd bargaining and a liberal use of rum, to secure them in exchange for such goods as the savages desired. If the trader considered the Indians with whom he was dealing trustworthy, he gave them credit,—that is to say, advanced them certain goods, relying upon their bringing back the returns from their hunts in order to settle their accounts. This was a custom which was much followed, and appears to have been a fairly satisfactory method of conducting the trade, though the Indians occasionally “stole” their credits, carrying off their furs to some rival trader, a practice in which they were often encouraged by the latter.² In the actual barter with the Indians, the “plus” was the unit of value, being reckoned at one beaver skin. Credits, as well as the values of goods and skins, were reckoned in “plus.”³

The Indian trade required a high degree of ability and resourcefulness on the part of those engaged therein, and no little courage as well. The visits of the savages to the trader's headquarters were usually made the occasion for drunken “frolics,” which often ended disastrously to one or more of the participants and occasionally to the trader himself.⁴ The whims of the savages must be studied and a certain degree of restraint exercised, without, however, risking the loss of their friendship. The trader's

¹“Long's Voyages, 1768-1782,” Thwaites, *Early Western Travels*, II, 122, 132; “Journal of Peter Pond,” *Wisconsin Historical Collections*, XVIII, 340.

²“Perrault Narrative,” *Michigan Pioneer and Historical Collections*, XXXVII, 515, 526, 531, 538, 547, 562.

³*Missouri Historical Collections*, 1912, p. 33, note. Many interesting traders' account books have survived, recording transactions with the Indians.

⁴Both “Long's Voyages” and the “Perrault Narrative” contain numerous descriptions of these “frolics.”

post became the scene of varied activities and a considerable number of whites and Indians were sometimes employed at the larger establishments, gathering food, repairing canoes, packing furs, etc. Though the trader's existence might be humdrum at times, it was often enlivened by competition, the strenuous nature of which is revealed in a passage from Perrault's narrative in which, referring to his rivalry on one occasion with a trader by the name of Giasson, he says, "I assure you that I did not Sleep for more than fifteen nights in my bed, and it was with difficulty that we bore off the honors. mr. giasson got only 5 packs, and we had taken enough to make 14- $\frac{1}{2}$." ⁵ It was little wonder that actual experience was regarded as the most valuable asset which the trader could possess.

It is apparent that the contact between two widely different races which was involved in the fur trade reacted profoundly upon both, though its effect upon the Indian was probably greater than upon the white man. The trader learned from the Indian how to secure food and shelter and he adapted the Indian's methods of transportation to his own uses. There is ample evidence, both in his journals and diaries, and in the hybrid population which survived him, that he mingled his blood with that of the savages. On the other hand, the white man did exercise a certain degree of self control and occasional contacts with the civilization of the outside world prevented his complete assimilation to the society of the wilderness. The effect of this contact upon the Indian was more far reaching. Access to the trader's goods resulted in profound changes in his habits of life. He became dependent upon the white man for weapons, which were his means of subsistence, and for clothing. He was demoralized by the trader's rum, which undermined his physique and his character. So great was his dependence that in some instances he became little more than a parasite upon the white trader. The picture of Indian life under the régime of the fur trade which is afforded in the journals and diaries which have come down to us is not pleasant to contemplate.

Thousands of miles removed from the wilderness in which the trader built his hut, though closely linked thereto by the

⁵"Perrault Narrative," *Michigan Pioneer and Historical Collections*, XXXVII, 542.

business organization which has been described, was the city of London, the fur market of the world and the clearing house for most of the peltry gathered in North America. Besides those exported from Canada, many furs were annually sent to England from the region occupied by the Hudson's Bay Company and from Nova Scotia and Newfoundland, while a few found their way to the English market from the United States. Great public sales were held in London each year, usually during the months of January, February, and March, which were attended by the leading fur merchants of Europe or their agents.⁶ With the exception of beaver skins, a comparatively small amount of the peltry which came to the London market was actually used in England. In 1789 or thereabouts, it was estimated that about five-eighths of the beaver imported into Great Britain was consumed at home in the manufacture of hats, while the remainder was sold abroad. A considerable number of fox and deer skins were also used in England but of the other varieties of peltry imported from North America, by far the greater number, including marten, otter, raccoon, muskrat, cat, bear, etc., were exported to various European countries. A very large number of the furs sold in the London market found their way to Germany, France, and Russia, while a smaller number were purchased by the merchants of Italy, Spain, and Holland. According to one estimate, probably drawn up in 1790, the value of the returns in peltry annually carried to England ranged from £200,000 to £250,000, of which amount, furs to the value of only about £60,000 were used at home, the remainder being sold abroad. China was the ultimate destination of a large part of the peltry exported from North America. Prior to 1785, most of the beaver and otter skins which were sent to Russia were reexported to China, being carried overland through Siberia, but this trade had to be largely discontinued owing to an interruption of communication between the two countries.⁷ An immediate result was the

⁶"Importation of Skins from Canada 1788 and sold in January, February and March 1789," *Canadian Archives, series Q*, XLIII-2, 826; *American State Papers, Commerce and Navigation*, I, 161. In the "account sales" of furs emanating from London, foreign-appearing names of purchasers occur, as for example, Schrieber, Weigand, Thellisson, and Putt. "Account Sales of Furs," May 6, 1779, Toronto Public Library, *Quebec Papers*, vol. B, 75, p. 240.

⁷Two reasons for this interruption of the trade were given; one to the effect that communication between Russia and China was shut off because of

opening of a direct trade with China, furs being carried to Canton in the ships of the East India Company for a time.⁸

Since a great deal of the peltry sent to London was reshipped to various European countries it was natural that the market should have been very sensitive to shifts and changes in continental politics, and that the fur sales should have been affected to a marked degree by wars and rumors of wars. The interruption of the trade between Russia and China, which has just been noted, caused a marked decline in the price of furs in London, beaver and otter being particularly affected, since St. Petersburg had previously been the principal market for those varieties.⁹

The international upheaval accompanying the French Revolution likewise had a very injurious effect upon the market. As the war clouds gathered over Europe, the forebodings of the merchants increased and early in 1790, John Richardson wrote from London, "I tremble for the Fur Sales—but a general Commotion in Europe must be ruinous to them."¹⁰ His fears were not without justification, for in January of 1793, before the actual outbreak of hostilities between England and France, the gravity of the situation was clearly reflected in the state of the market. Hudson Bay beaver which in the preceding season had sold for nineteen and twenty shillings a pound dropped to thirteen and fifteen, while merchants anticipated a fall in prices equal to twenty or thirty per

war between Russia and the Turks; the other being that the interruption was occasioned by a dispute between the Russians and the Chinese themselves. Frobisher to Coffin, Powell, and McGill, February 1, 1788, *Frobisher Letter Book*, p. 42; "Observations relating to the proposed Settlement on the N. W. Coast of Am^a." *Canadian Archives Transcripts*, C. O. 42, XXI, 107.

⁸When Lord Macartney was sent to China to negotiate a commercial agreement, a committee of London merchants petitioned that he be instructed to try to arrange for the importation of beaver and other furs, on as favorable terms as possible. Merchants to Dundas, August 10, 1792, *Canadian Archives, series Q*, LXI-2, 463. A project was also formed for a direct trade with China, to be carried on from the northwest coast of North America. "Observations relating to the proposed Settlement on the N. W. Coast of Am^a." *Canadian Archives Transcripts*, C. O. 42, XXI, 107.

⁹Letter to Thomas Williams and Company, October 24, 1785, *Burton Manuscript Collection*, DCCCXIX, 100; Frobisher to Coffin and Powell, January 10, 1788, *Frobisher Letter Book*, p. 37.

¹⁰Richardson to Porteous, February 15, 1790, *Canadian Archives, series M*, vol. 852.

cent in view of the impending struggle.¹¹ When France at length declared war on England in April of 1793, a commercial panic ensued, and in the general demoralization of business, those engaged in the Canada trade suffered along with the rest. The price of furs went still lower and certain of the merchants of Quebec suffered an actual loss on the peltry which they had consigned to their London agents. William Robertson of Detroit, who was abroad at the time, reported that upwards of 40,000 furs bought in London had been shipped to New York and Philadelphia, a fact which is a rather interesting commentary on the trade situation, as the United States was not usually regarded as a market for peltry sold in England. Robertson advised his friend John Askin to withdraw from the Indian trade so far as possible as there was no prospect that the situation would mend in the near future.¹² The feelings of those interested in the fur trade are well illustrated by the words of John Richardson: "The Returns from the Indian Country are this year very bad, which with the great fall in prices at home, will go nigh to ruin every man concerned in the Trade—F. R. & Co [Forsyth, Richardson, and Company] are most severe sufferers by last years Shipments—May all the curses of Emaulphus fall upon these *Sans Culottes Villains of France?*"¹³

Though accurate data concerning the changes in the London market are meager, the statistics quoted in the appended note are sufficient to reveal some of the fluctuations in the price of furs during the years which followed the American Revolution.¹⁴

¹¹Robertson to Askin, January 31, 1793, *Burton Manuscript Collection*, II, 88.

¹²Robertson to Askin, April 10, 23, 1793, *Burton Manuscript Collection*, II, 121, 133.

¹³Richardson to Porteous, August 15, 1793, *Canadian Archives, series M*, vol. 852.

¹⁴The following table shows the fluctuations in the prices of a few common varieties of peltry, the amounts being in shillings and pence.

	1784	1789	1793	1801
Otter.....	27/- 50/	23/10	18/	28/6
Mink.....	4/6- 6/	2/ 4	2/	4/6
Raccoon.....	3/8- 5/6	2/ 9	1/9	3/4
Bear.....	40/6-50	21/8	30/	55/

As nearly as can be determined the prices quoted are sterling. Prices for 1784 are from "A Price Current of Skins, &c. imported at London, from Canada,"

Prices in 1784 were unusually good, but by 1789, the interruption of communication between Russia and China had made its influence felt. In 1793, rumors of approaching war caused a still further decline. By 1801, however, prices had risen again. Needless to say, merchants in England endeavored to keep their friends and correspondents in America in close touch with the condition of the London market, and their letters throw many interesting sidelights upon the havoc played by European complications.

The problem of transporting goods and peltry between the hunting grounds and the London fur market was one of the principal economic factors which the merchants and traders were obliged to take into account. There were two routes from Montreal to the upper country, one by way of the Grand or Ottawa River, Lake Nipissing, and the French River, and the other by way of the St. Lawrence and the Great Lakes. Most of the trade of Detroit and its dependencies went by the southern route, although peltry was occasionally shipped to Michillimackinac, to be sent down by way of the Ottawa River.¹⁵ The Michillimackinac trade was carried on through both channels, furs and merchandise, including rum, firearms, and ammunition, being as a general rule transported over the northern route, while bulkier articles, such as corn, flour, and other provisions, were carried by way of the lakes, though furs were also occasionally sent down to Montreal from that post in sailing vessels. Indian goods might also be sent up by way of the lakes when there was no particular hurry for them.¹⁶

Burton Manuscript Collection, DCCCXVIII, 177; those for 1789 are the average prices at which these particular furs sold in January, February, and March of that year, and are to be found in *Canadian Archives*, series Q, XLIII-2, 826; those for 1793 are the prices paid for an assortment belonging to William Grant, from an account sales in the *Baby Manuscripts*; the prices quoted for 1801 are averages, taken from an enclosure in a letter of Milnes to Hobart, October 30, 1802, *Canadian Archives*, series Q, LXXXIX, 169.

¹⁵A list of exports from Detroit to Michillimackinac and St. Mary's between April 15 and November 20, 1793, includes 1979 packs of peltry. *Canadian Archives*, series Q, CCLXXX-2, 396. In all probability these furs were carried from Michillimackinac down to Montreal in canoes.

¹⁶Reeves to Grant, Campion, and Company, August 31, 1794, *Baby Manuscripts*. See *Returns of Indian Trade Licenses* for list of canoes going to the upper country by way of the Ottawa River. A series of letters written by John Askin in 1778 throws a good deal of light on transportation in the upper country at the time of the Revolution. *Wisconsin Historical Collections*, XIX, 235-259.

Communication between Montreal and Michillimackinac was much more rapid by way of the Ottawa River than by the lake route, the distance being very much shorter, as may be seen from a glance at the map. The northern route was a difficult one, however, because of the large number of falls and rapids which interrupted navigation, there being upwards of forty carrying places between Montreal and Michillimackinac, where the canoes must be unloaded and their cargoes transferred, sometimes for considerable distances, on the backs of the *engagés*. The Ottawa was in fact impossible of navigation for anything excepting canoes. To one who holds the modern conception of such craft, however, the load which could be carried in one of the old "Northwest canoes" is rather surprising. The weight of the cargo was generally three or four tons and as the canoe was navigated by eight men and occasionally carried one or two clerks besides, the load was increased by several hundred pounds. The canoes themselves were made of birchbark and were perhaps thirty-five feet long, four or five feet wide, and two feet and a half in depth.¹⁷ The average cargo of peltry consisted of about thirty-six packs and the voyage from Michillimackinac to Montreal was often accomplished in three weeks though of course the time required might vary considerably.¹⁸ Cost of transportation was naturally one of the heaviest items of expense involved in the conduct of the fur trade. In 1804, in estimating the value of the goods at the rendezvous of the North-West Company at Kaministiquia on Lake Superior, an average of twenty-three per cent was added to their value at Montreal.¹⁹

Bateaux and sailing vessels were used on the southern route, the former being employed to carry goods and furs on the St. Lawrence between Lachine and the outlet of Lake Ontario, while either sailing vessels or bateaux might be used upon the lakes.

¹⁷*Canadian Archives, series Q, CCLXXX-2, 403.* For a good description of the fur-carrying canoe and its navigation, see Henry, *Travels*, p. 13 ff.

¹⁸Canoe Drivers' Receipts, *Baby Manuscripts*. Many of the letters in the Baby collection bear the dates on which they were received in the form of endorsements. In the case of a letter sent from Michillimackinac to Montreal, for example, it is possible by comparing the date of the endorsement at Montreal with the date of the letter itself, to determine the length of time consumed in the journey. The voyage from Lachine to Michillimackinac appears to have required a little more than a month.

¹⁹Minutes of the North-West Company, Kaministiquia, July 10, 1804, *Baby Manuscripts*.

During the Revolution and the years following, when navigation by vessels other than the King's ships was prohibited, merchandise was unloaded from the bateaux at Carleton Island and placed aboard ship. The goods must be unloaded again at Niagara and transported across the carrying place, after which they were reloaded in the King's vessels at the outlet of Lake Erie, whence communication with Detroit and Michillimackinac was uninterrupted.²⁰ After the restriction upon the navigation of the lakes in private vessels was removed, merchant shipping developed with considerable rapidity.

There were certain well-defined channels through which passed the greater part of the commerce between Detroit and Michillimackinac, and the posts of the interior. Many of those who resorted to upper Louisiana reached the Mississippi by way of Lake Superior and the St. Croix River. Traders had access from Lake Michigan to the Mississippi by two principal routes: they could go by way of the Fox and Wisconsin rivers, or by the Illinois, the latter stream being reached either by the Chicago River, or by the St. Joseph and the Kankakee. Traders proceeding from Detroit to Vincennes and the surrounding country ascended the Maumee River and crossed a portage to the Wabash, while numerous rivers and portages gave access to the Shawnee country and the eastern parts of the Ohio Valley.²¹ The streams of the interior were usually navigated in canoes, the cargoes being carried across the portages by means of carts or horses, or on the backs of the *engagés*. Certain of the portages and carrying places which have been mentioned were granted to individuals, who enjoyed exclusive rights to the transportation of goods for the merchants and traders resorting thereto. Privileges of this sort were granted at the carrying place of Niagara and the Miami portage.²² In the case of the North-West Company, a complicated system of lakes and rivers led from the rendezvous on Lake Super-

²⁰Information concerning the navigation of the lakes has been derived from numerous petitions and letters upon the subject of trade and navigation as for example, the memorial of the merchants of Montreal in *Michigan Pioneer and Historical Collections*, XX, 58.

²¹Hulbert, *Portage Paths*, p. 164, 165.

²²Petition of Alexander Ellice in Behalf of Detroit Merchants, May 26, 1779, *Michigan Pioneer and Historical Collections*, XIX, 424; Letter to Major Bassett, October 10, 1773, *ibid.*, X, 256.

ior to the departments of the interior, some of which were situated at enormous distances.

The most picturesque of all the persons engaged in the fur trade were the "*voyageurs*" who navigated the canoes and bateaux on the great system of lakes and rivers of the Northwest. They were nearly all French-Canadians and formed a distinct class whose principal occupation was the navigation of the trading craft between Lachine and the upper posts, as well as between the upper posts and the Indian country. The *voyageur* or *engagé*, as he was usually called, was obliged to enter into a formal contract with his employer in the presence of a notary public at Montreal before setting out for the upper country. This contract, or *engagement*, indicated the place to which he agreed to go, the time when he was to be allowed to return, the amount of his wages, and the equipment which was to be furnished him before setting out. The homes of the *engagés* were often in Montreal or the little French villages thereabouts and some of the *engagements* indicate the parishes to which they belonged. They were for the most part an uneducated class, a majority of them being unable to sign their names to these contracts. Those who navigated the canoes were designated according to their positions in the craft. There was the *milieu*, or middleman, the *devant*, and the *gouvernait*, the last two being persons of particular skill, who occupied positions respectively in the front and rear ends of the craft. The canoe itself, or the brigade, if there were several canoes, was under the charge of a *guide*.²³ Besides those who manned the canoes and bateaux, there were the *matelots*, or sailors, who bound themselves to serve for a given period on board merchant vessels navigating the lakes. When a canoe set out from Michillimackinac, the *guide* in charge gave a receipt, containing a list of the furs entrusted to his care, and undertook to deliver the canoe and its cargo intact to the persons to whom it was consigned, "saving the risks of the River."²⁴ The canoe and the *engagé* were both relics of the old French régime, which the British merchants found at their disposal when they entered Canada. The personnel of those engaged in the business of the fur trade gradually changed, but this was not true of

²³*Voyageurs' engagements*, Notarial Records, *Archives of Montreal*; Alexander Henry, *Travels*, p. 14; Mackenzie, *Voyages*, I, lv.

²⁴Canoe Driver's Receipt, *Baby Manuscripts*.

the men who navigated the canoes upon the mighty lakes and rivers of the Northwest. As a means of transportation, neither the canoe nor the *engagé* could be improved upon by the newcomers and the French-Canadian *voyageur*, with his picturesque attire and rollicking songs, remained to add a touch of color and romance to the fur trade until the industry itself finally disappeared.²⁵

Some writers, contemporary as well as recent, have conveyed the impression that the fur trade was tremendously profitable to all concerned, all that was necessary in order to make a fortune being for the trader to sally forth into the wilderness, give the Indians a few trinkets in exchange for furs of ten times their value, carry the peltry to market, and reap the profit. But there were heavy expenses and large risks, and experience and shrewd judgment were essential to success, just as in any other form of business. In many cases the outfits which were finally traded to the Indians were made up of goods which were received at third or fourth hand, upon which a profit or commission was received by the London firm, the Montreal merchant, and the trader at Michillimackinac or Detroit. The same was true of the furs which were marketed in London. After making due allowance for the pessimism which often characterizes business correspondence, the lugubrious tone of many of the letters which passed between the merchants and traders of the period leads one to the conclusion that the traffic in furs was not always an easy and certain road to wealth.

In addition to the items of expense which were to be anticipated in the ordinary course of business, the conditions under which the fur trade must be carried on rendered it subject to very great risks. The transportation of goods and peltry was necessarily attended by considerable danger, the passage of the Ottawa River being particularly perilous, due to the turbulence of the stream and the frail character of the craft in which it was navigated. Mishaps were numerous in which both *engagés* and cargo were lost, and in 1791, an act for promoting navigation and trade, passed by the legislative council of Quebec, prohibited the sale of liquor to *voyageurs* along a certain stretch of the Ottawa River, in order to avoid the many accidents which occurred when the canoemen

²⁵For some of the songs of the Canadian *voyageurs*, see *Hunt's Merchants' Magazine*, III, 189.

endeavored to shoot the rapids while in an intoxicated condition.²⁶ When it is recalled that a canoe carried a cargo which was worth anywhere from £100 to £700 currency, and sometimes more, the loss of even a single one was a very serious matter to the owner from a financial standpoint, to say nothing of the sacrifice of life which generally accompanied such an loss.

Delay in the transportation of goods to the upper country was one of the most dreaded of all the uncertainties attendant upon the fur trade, the reason lying in the fact that so much depended upon climatic conditions. Streams and lakes could be navigated only during certain seasons of the year, and delay in the transportation of merchandise at any stage was likely to be a source of considerable loss and inconvenience to the merchant. In 1784, merchandise was late in arriving at Detroit, and as a result could not be sent out into the Indian country until the season was far advanced; but before it could be carried to its destination, winter set in and the goods were frozen up in the Maumee River, where they remained until spring. The merchants declared that in consequence of this delay, about 1000 packs of peltry which would ordinarily have come to Detroit found their way to market at New Orleans. Such incidents were the more vexatious inasmuch as the traders' goods were nearly always obtained on credit, and they were sometimes obliged to pay interest charges on which they received no corresponding return. In 1785, as a result of the delay which has been mentioned, the merchants of Detroit declared that they were paying an annual interest charge of £3700 sterling on goods which were then lying at Carleton Island and Niagara.²⁷

Besides the danger of loss through Indian wars, from which the merchants often suffered, the absence of any recognized authority in the interior, together with the generally lawless conditions which prevailed there, rendered the fur trade a still more precarious occupation. Merchants who advanced outfits to the traders resorting to the upper posts necessarily ran some risk of not receiving the returns due them. This danger was perhaps less

²⁶*Michigan Pioneer and Historical Collections*, XXIV, 205.

²⁷Petition of the Merchants of Detroit, July 16, 1785, *Michigan Pioneer Collections*, XI, 460; Henry to Edgár, June 23, 1785, *Letters and Accounts of the North-West Co.*, p. 65.

than might be supposed, however, considering the lack of facilities for the collection of debts. Under ordinary circumstances, a trader who attempted to cheat his outfitter thereby rendered himself virtually an outlaw, as he would not dare to return to the post where his creditor lived. So long as there was but one market in which furs might be disposed of, the outfitter ran comparatively little risk of being wilfully cheated by those whom he supplied. But the proximity of foreign markets altered the situation; there was always the temptation for a trader who happened to be heavily in debt, instead of carrying his returns to the post at which he had secured his outfit, to resort to some other place where he might obtain ready money for his furs.²⁸ In a large part of the Indian country dependent upon Detroit, it was comparatively easy to carry furs either to the Atlantic seaboard or to the Spanish market at New Orleans. Todd and McGill of Montreal were not inclined to regard the trade in this region with much favor in 1786, because of the danger that traders might steal their credits by carrying furs either to the American states or to New Orleans.²⁹ British merchants had little to fear from the rivalry of foreign traders during the period under consideration, however. It was rather the foreign merchant who suffered from the competition of the British. A more serious matter was the competition between the British traders themselves, before the large companies had gained control. Some unscrupulous individuals made it a practice to secure the furs which should have gone to their rivals, from whom the Indians had received their credits.³⁰ The trader was obliged to rely in large measure upon his personal influence over the savages in order to protect himself against loss. The extent of this influence was often surprisingly great.

Besides the factors which have been mentioned, there was always the danger of poor returns from the interior, due to ill success on the part of the Indians, or unfavorable weather, perhaps. Good returns in the form of furs, either as regards quantity or quality, were no more definitely assured than good crops in

²⁸Clark to Todd, April 25, 1798, *Burton Manuscript Collection*, V, 15.

²⁹Todd and McGill to Askin, December 20, 1786, *Burton Manuscript Collection*, I, 217.

³⁰Rival traders appear to have suffered no qualms of conscience in receiving furs from Indians who had stolen their credits. Perrault Narrative, *Michigan Pioneer and Historical Collections*, XXXVII, 547.

agriculture.³¹ Perhaps the dangers and uncertainties connected with the industry have been unnecessarily dwelt upon but it has seemed desirable to emphasize the fact that the traffic in furs required the same experience and sound judgment which are essential in any business enterprise. Too many persons hold an opinion regarding the fur trade similar to the one expressed by a traveller in America in 1776. Commenting upon the dangers undergone by the traders, he naïvely states that the only compensation for these perils is the certainty of acquiring an ample fortune in the course of three or four voyages!³²

It is difficult to make any exact statement concerning the profits derived from the fur trade. Judgment must be based largely upon the external aspects of the business and upon such miscellaneous correspondence as has been preserved. The profits of the small traders who wintered among the Indians appear in many cases to have been very modest as for example, in the case of Jean Baptiste Perrault, who formed a partnership with one Thomas Richardson and spent the winter of 1788 and 1789 trading with the Indians. The two men carried their furs back to the post of Michillimackinac in the summer of 1789 and made settlement with their outfitter. Perrault says in his journal: "We had hoped to make a little profit, but the messieurs [meaning the outfitters] were Accustomed to give themselves free rein in The purchase of skins, and each year they lowered the price more and more, until one could hardly make both Ends meet. They took back all that remained to us, canoe and rigging."³³ The following season he and Alexis Reaume entered into a partnership, which appears to have been more successful than that of the preceding year, for the two succeeded in making £125, "Current value," over and above expenses.³⁴

The outfitters at the posts of course made larger profits than did the traders whom they supplied, but they were by no means certain to make a fortune "in three or four voyages." John Askin of Detroit, after having been connected with the fur traffic for

³¹The success of the Indians' hunting depended to a certain extent upon climatic conditions, a fall of snow being considered favorable for the hunt.

³²Anburey, *Travels*, I, 126, Letter dated Montreal, November 26, 1776.

³³"Perrault Narrative," *Michigan Pioneer and Historical Collections*, XXXVII, 555.

³⁴*Ibid.*, p. 556.

nearly twenty-five years, in 1801 found the state of his affairs so low that he considered it advisable to withdraw from that branch of trade altogether.³⁵ It is safe to say that there was nothing phenomenal in the gains made by the ordinary small merchant engaged in the trade, though in the case of the North-West Company the situation was somewhat different. There is every indication that the merchants belonging to that concern really met with most gratifying success, the rapidity with which the company grew and extended its operations during the last quarter of the eighteenth century affording pretty good evidence of the profitable character of the trade.

The merchants who operated in the Great Lakes' region did not derive all their profits from the traffic in furs. They carried on a large volume of business in the upper country which was incidental to the peltry trade. The furnishing of provisions and supplies to those who lived at the upper posts and in the interior was in itself an important branch of commerce. The North-West Company, for example, depended largely upon food supplies drawn from Detroit and certain parts of the interior for the maintenance of its traders.³⁶ John Askin, in addition to his general trade and Indian ventures, carried on a very profitable business by supplying provisions to that concern.³⁷

Not all of the Indian goods which were carried to the upper country were actually bartered for furs. The British government was in the habit of giving large quantities of supplies to the Indians in the form of presents. Often the merchants found it more profitable to sell goods to the government to be distributed among the savages than to use them in carrying on the peltry trade. The extent to which this sort of traffic was carried on is

³⁵Askin to Henry, December 30, 1801, *Burton Manuscript Collection*, XI, 89.

³⁶Transportation of Goods to the Upper Country in 1778, *Michigan Pioneer and Historical Collections*, XIX, 339; Memorial of the Merchants of Montreal, April 19, 1781, *ibid.*, p. 620. Corn for the use of the traders and garrisons at the posts was secured from various parts of the Indian country, as Arbre Croche, Saginaw, and Milwaukee. Mompesson to De Peyster, September 20, 1780, *ibid.*, p. 575; Frobisher to Brickwood, June 30, 1788, *Frobisher Letter Book*, p. 59.

³⁷*Wisconsin Historical Collections*, XIX, 234-258; *Burton Manuscript Collection*, II, 16; *Ibid.*, III, 158.

indicated by the large number of bills drawn in favor of traders at the upper posts for supplies furnished the Indian department.³⁸ The practice of purchasing supplies from the merchants led to profiteering, however, for they charged exorbitant prices for their goods. The government accordingly endeavored to reduce expenses by ordering the commanders at the posts to purchase as little as possible from the traders. The merchants were even accused of exhibiting valuable goods to the Indians in order that the latter might request the British commanders to make them presents of those particular articles and thus compel their purchase.³⁹

The relation between the fur trade and the system of present-giving as practiced by the British government requires a word of explanation. In the first place, the articles distributed among the Indians and those used in the fur trade were identical in character, as a comparison between a return of Indian presents in store at one of the upper posts and an invoice of a canoe load of trader's goods will readily show. The question then arises, why did not the merchants oppose the distribution of presents as a form of competition, the effect of which would be to reduce the demand for their own goods? That they did not regard the matter in that light is evidenced by the fact that traders themselves often acted as the medium through which these articles were distributed.⁴⁰ They were willing and anxious to sell goods to the Indian department, and on occasion, even solicited the government to make presents to the savages.⁴¹ There would appear to be several reasons why this practice was not regarded in the light of competition. In the first place, the Indians were notoriously improvident, being seldom if ever satisfied and their wants, if not their necessities, may be said to have been practically insatiable.

³⁸*Michigan Pioneer and Historical Collections*, XX, 206-212.

³⁹Haldimand to De Peyster, May 8, 1780, *Michigan Pioneer Collections*, IX, 634; Haldimand to Germain, October 25, 1780, *ibid.*, X, 445.

⁴⁰Letter of Sinclair to [Haldimand], July 31, 1781, *Michigan Pioneer Collections*, X, 504.

⁴¹In 1780, the merchants associated in the General Store at Michillimackinac petitioned that they be given preference in supplying goods for the Indian department. Memorial of the Merchants of Michillimackinac, April 27, 1780, *Michigan Pioneer Collections*, IX, 549; Memorial of the Merchants of Montreal, April 4, 1786, *ibid.*, XI, 483. See also the memoranda, dated April 13, 1786, *ibid.*, XI, 485.

Hence the fact that they received large presents from the government did not necessarily decrease their demand for traders' goods, while rum was always in demand, no matter what the supply. Even disregarding these considerations, the political influence which was acquired by the giving of presents greatly outweighed any possible disadvantage arising from the practice, considered as a form of competition. The political attachment of the Indians was absolutely essential to the welfare of the fur trade and the merchants were fully aware of the efficacy of the custom as a means of retaining their friendship.

Another consideration of great importance was the fact that so long as there was no foreign competition to be feared, British traders obtained all the furs gathered by the Indians, regardless of the quantity of goods carried into the interior, small or large. It was not a matter of so great importance to the trader how many goods were given to the Indians in the form of presents, so long as there was no increase in the number of those who were to receive the returns in furs. The occasion on which the trader raised his voice in protest was when the agent who distributed the presents sometimes yielded to the temptation to use them in trade on his own behalf. This was a form of competition which never failed to arouse the merchants, not because it increased the quantity of goods carried to the Indians but because it increased the number of those who received the returns in furs.⁴² Indeed, the amount of merchandise delivered to the Indians in the course of trade or in the form of presents appears to have had little effect upon the quantity of furs secured by the merchants from one year to another, a conclusion which is borne out by a comparison between the quantity of goods annually sent into the Indian country and the returns in furs exported from the province of Quebec.⁴³ Although the value of the goods imported for purposes of trade fluctuated considerably, the quantities of furs shipped to

⁴²Representation of Merchants and Traders at Michillimackinac, August 10, 1787, *Michigan Pioneer Collections*, XI, 497; Henry to Edgar, October 22, 1787, *Letters and Accounts of the North-West Co.*, p. 81. If the agents traded goods at lower prices than the merchants were accustomed to offer, the result was naturally a most injurious form of competition.

⁴³*Returns of Indian Trade Licenses*; returns of furs exported from the Province of Quebec, *Canadian Archives, Report*, 1888, Calendar of Haldimand Collection, III, 12.

England do not show corresponding variations; the annual returns in peltry seem to remain about the same or to show a slight increase from year to year.

When it is recognized that the Indian derived his supplies, of identical quality, from two sources, the government and the trader, and that the latter received the entire product of his industry in the form of skins and peltry, it will perhaps be doing no violence to the truth to say that the fur trade was a subsidized industry, and that in estimating the worth of this particular commerce to Great Britain, more factors must be taken into account than the value of the goods exchanged by the merchants for the furs which they shipped to England. The friendship and trade of the northwest tribes might not have been retained to the advantage of the British merchants without the substantial aid rendered by the crown in the form of presents. Perhaps it was true that the advantage which England gained in the fur trade by the retention of the northwest posts was not worth the cost which it involved. At any rate, the complaints of the British authorities, from the ministry down, with regard to the expense of the Indian department, were loud and frequent. The British government, on the other hand, did not appear disposed to yield its supposed advantage, except under pressure. Attention will now be directed to a consideration of those events which led to the surrender of the northwest posts, whose history is so intimately bound up with the fur trade.

CHAPTER VII

THE DIPLOMATIC SETTLEMENT

The story of the diplomatic negotiations which culminated in Jay's Treaty is extremely complicated and involves many questions besides the status of the northwest posts and the fur trade. Maritime commerce, Indian relations, and boundary questions all came up for discussion and attempts to arrive at a general settlement were affected by considerations of politics and international relations which were in some instances only remotely connected with the specific questions in dispute between England and the United States. It would be impossible to follow the negotiations in detail in these pages, even though the task had not already been ably performed.¹ In the brief résumé which will be attempted, an effort will be made to study the diplomacy of the period from the point of view of the frontier and the fur trade, bringing out the connection between the interests of the Canadian merchants and the policy which was followed by the British ministry. The other questions which were involved in the diplomacy leading to Jay's Treaty must be largely ignored. The reader should keep clearly in mind that the history of this period, in so far as it relates to the posts and the fur trade, is simply a continuation of the story which centers about the negotiations at Paris in 1782 and 1783, when an abortive attempt was made to determine the commercial status of the Northwest.

After Governor Haldimand had refused General Knox's demand for the evacuation of the posts in 1784² no further efforts were made by the United States to secure the withdrawal of the British garrisons, save through diplomatic channels. But in proportion as the commerce of Canadian merchants and traders flourished in the Great Lakes' region, just so loath were the British to evacuate the western posts; and as their desire to retain them increased, the more were they disposed to believe that the Americans cherished designs of seizing them by force. One of the ministry in a memorandum drawn up in 1785 expressed the belief that the Americans would soon attempt to take possession of the posts for the sake of

¹See Samuel Flag Bemis, *Jay's Treaty, a Study in Commerce and Diplomacy*.

²Ante., p. 96.

the fur trade and that the only thing which had thus far deterred them was their fear of the Indians.³ A British officer, discussing matters connected with the status of the upper country in the same year, declared that in New York, Connecticut, and Pennsylvania, there was a general clamor for the frontier forts.⁴ All such manifestations were regarded with apprehension because of the advantages supposed to be possessed by the Albany and Mohawk River route to the upper country over that by way of Montreal and the St. Lawrence. The preservation of the fur trade was always uppermost in the minds of those who imagined that the Americans were planning to seize the posts.⁵

The continued occupation of the American frontier by British garrisons naturally aroused a great deal of irritation in the United States, a feeling which was accentuated by the loss of the fur trade occasioned thereby.⁶ The whole situation was greatly aggravated by the state of Indian affairs in the Northwest, the interests of Great Britain and the United States being mutually antagonistic. The British were interested in the Great Lakes' region almost solely from the standpoint of the fur trade, the welfare of which depended upon the friendship of the Indian tribes. As a very extensive trade was carried on in American territory in the region south of Detroit, it was to the advantage of British merchants that the Indians should remain in undisturbed possession of their hunting grounds, for if they were driven out by the Americans, the traffic in furs would vanish with them. The British desired above all else to maintain the existing status in the Northwest, an object which they believed more likely to be fulfilled if the posts were garrisoned by their

³Memorandum concerning Quebec Matters, 1785, *Canadian Archives Transcripts*, C. O. 42, XVIII, 138. In the margin appears the note, "Points to be decided upon previous to the departure of Sir Guy Carleton."

⁴Paper endorsed "Canada Affairs from Major Ross R 2 May 1785," *Canadian Archives Transcripts*, C. O. 42, XVII, 38.

⁵"Opinion and observations of different persons respecting the United States," in Dorchester's letter of October 14, 1788, *Canadian Archives, series Q*, XXXVIII, 146. According to this memorandum, the Federalists in New York were urging that the establishment of a strong central government would enable the United States to obtain possession of the posts, upon which a large part of the fur trade would pass down the Mohawk River to Albany.

⁶Jefferson to Hammond, December 15, 1791, *American State Papers, Foreign Relations*, I, 190.

own troops. Besides being influenced by commercial considerations, they felt themselves under certain moral obligations to the Indians. The savages had fought for them during the Revolution, thereby incurring the bitter enmity of the Americans, and it appeared to the British that it would be little short of treachery for them to sit calmly by and see their former friends and allies exterminated.⁷

The interests of the Americans were directly opposed to those of the British in another sense. While they wished to share in the fur trade from which they had been excluded by the war, they were primarily interested in the region from the settler's viewpoint and after the close of the Revolution, the westward movement which had commenced years before began again with renewed vigor. The result was that the intruders came into conflict with the Indians northwest of the Ohio and there followed an era of war and bloodshed which lasted for more than a decade. The Americans hoped to reach an understanding with the Indians, by which certain lands should be opened for settlement, while others were reserved for hunting grounds. To this end a series of councils was held with the various tribes living beyond the Ohio and several treaties were concluded, of which the most important were those of Fort Stanwix, Fort McIntosh, and Fort Harmar. All efforts to reach a permanent and satisfactory settlement failed, however, with the result that violence and disorder increased in the country northwest of the Ohio.⁸

The Indians naturally turned to their former allies for aid and counsel. The British were placed in an exceedingly embarrassing position, for while their commercial interests led them to sympathize with the Indians, prudence on the other hand dictated that they refrain from any policy of open assistance. Joseph Brant, the Mohawk chieftain, was in London during the winter of 1785-1786, seeking to learn what attitude the British government would assume in the event of hostilities between the Indians and the Americans. Lord Sydney, who was secretary of state for home affairs, was rather non-committal, though he assured Brant that

⁷The arguments of those who had opposed the provisional treaty in parliament in 1783, as well as the correspondence of numerous British officers, bear witness to this statement.

⁸See Winsor, *The Westward Movement*, *passim*.

the King had the welfare of his people at heart.⁹ His instructions to Lieutenant-governor Hope of the province of Quebec were equally vague. In case of hostilities, no open support must be given the savages but since the peace and prosperity of the province demanded that they should not be entirely abandoned and estranged, he concluded by leaving the line of conduct to be followed to Hope's own discretion.¹⁰ There is little doubt, other things being equal, that the British government desired peace between the Americans and the Indians and avoided doing anything which might incite the latter to hostilities. But as the situation became more strained, the British saw in the danger which threatened the savages likewise a menace to the posts and the fur trade. Lord Dorchester, after his arrival in Quebec in 1786 to act as governor of the province, reported to Sydney that he believed it was the intention of the Americans to leave the British in possession of the posts for the time being, but meanwhile to station themselves along the communications to the Northwest in such a manner as to intercept the fur trade and enable them to occupy the entire region when they judged the time to be ripe.¹¹ As rumors of impending hostilities between the Americans and the Indians became rife in 1786 and 1787, political and commercial considerations seemed to demand that the friendship of the tribes northwest of the Ohio should be preserved at all hazards, as their assistance might be required to defend the posts against attack. Sydney even expressed the view that it would scarcely be proper to refuse the Indians ammunition with which to defend themselves.¹²

It has already been noted that in 1783 the British attitude appeared to be that a commercial treaty which should define the status of the northwest trade was prerequisite to any move to evacuate the posts.¹³ So long as British merchants continued to monopolize the commerce of the Great Lakes' region, however,

⁹Sydney to Brant, April 6, 1786, *Canadian Archives, series Q, XXVI-1*, 80; Bemis, *op. cit.*, p. 14.

¹⁰Sydney to Hope, April 6, 1786, *Canadian Archives, series Q, XXVI-1*, 73.

¹¹Dorchester to Sydney, June 13, 1787, *Canadian Archives, series Q, XXVIII*, 16.

¹²Sydney to Dorchester, April 5, 1787, *Canadian Archives, series G, I*, 62; (same to same), September 14, 1787, *ibid.*, *series Q, XXVIII*, 28.

¹³Chapter III.

it was natural that their government should not display any eagerness for such a settlement. Procrastination and delay were the keynote of the policy which was tacitly adopted, there being hope in some quarters that circumstances might arise which would make it possible to alter the terms of the treaty to the advantage of the merchants of Canada. The United States, on the other hand, had every reason for insisting that the whole question of the posts should be settled as speedily as possible. John Adams, as first minister of the United States to England, had made repeated representations to the ministry on this subject, but the answer was always to the effect that the Americans themselves had failed to carry out the terms of the treaty.¹⁴ In 1789, it was decided to send Gouverneur Morris on an informal mission to England, to sound the ministry with regard to the possibility of negotiating a treaty by which various commercial questions and the status of the posts might be settled. Among other things, he was instructed to inquire into the reasons for the failure to evacuate the western posts.¹⁵ In the course of the discussions, which began in the spring of 1790, the reply of the ministry, as hitherto, was to the effect that the United States had not fulfilled the terms of the peace treaty.¹⁶ In one conversation, at which Pitt was present, Morris called attention to the fact that there remained no obstacle to the recovery of British debts in the United States and hence there was no longer any reason for England refusing to carry out the terms of the Treaty of 1783 and withdrawing her garrisons. The inconclusive nature of the discussion is indicated by the fact that Pitt, on being pressed by Morris, admitted that it was perhaps the idea of the ministry to negotiate a new treaty rather than to carry out the old one, and that there was a possibility that Great Britain might desire to retain the posts. Morris argued that the posts could not be of sufficient value to her to warrant the expense of maintaining them, to which Pitt replied that if they were of so little value, there was less reason why the Americans should desire to obtain possession!¹⁷

¹⁴Adams, *Works* (ed. Adams), VIII, 357, 358, 391.

¹⁵For Morris's instructions see *American State Papers, Foreign Relations*, I, 121, 122. Morris was in France at the time when he was appointed to this mission.

¹⁶Bemis, *op. cit.*, p. 51.

¹⁷Morris to Washington, May 29, 1790, *American State Papers, Foreign Relations*, I, 123.

The year 1790 was marked by a crisis in the relations between England and Spain and there is evidence that during its acute stage the ministry was considering the possibility of giving up the posts, with the idea of avoiding embarrassing difficulty with the United States.¹⁸ Meanwhile, efforts were made to ascertain what would be the probable effect of such action upon the fur trade. Inquiries were made of certain officers familiar with conditions upon the frontier. Among them was General Haldimand, who surprisingly enough favored the withdrawal of the garrisons, saying that the Americans were so numerous that they could obtain the posts by force if they were so disposed, and therefore the British government should give them up voluntarily. Even though a part of the fur trade were surrendered along with them, British merchants would more than make good the loss through trade with the Americans.¹⁹ Lord Grenville also sought information from John Inglis, a prominent London merchant engaged in the Canada trade, who expressed a very different view.²⁰ He estimated that if the posts were surrendered, at least half the fur trade would be lost to Great Britain. He was of the opinion, moreover, that the Americans were in no condition to garrison the forts and afford adequate protection to commerce. He offered to wait upon Grenville in person, along with Isaac Todd, who was then in London. The latter would be able, from his long and intimate acquaintance with the fur trade, to give such information as might be desired. The attitude of John Inglis clearly reflects Great Britain's real motives in retaining the posts, for on June 5, he called attention to a statute which was still in force in Georgia, the effect of which was to withhold justice from British subjects. It is clear that he regarded this act as a pretext upon which the posts

¹⁸Bemis, *op. cit.*, p. 51 ff.

¹⁹Private Diary of General Haldimand, May 31, 1790, in *Canadian Archives, Report*, 1889, Calendar of Haldimand Collection, III, 287. See also a report from Captain Schank, "Account of Posts in Canada Including a Short Description of Detroit, Michilimakinac, Miamis River, and Sandusky," received May 31, 1790, *Michigan Pioneer and Historical Collections*, XXIV, 89.

²⁰Inglis to Grenville, May 31, 1790, *Canadian Archives, series Q*, XLIX, 287. The report itself appears in *Michigan Pioneer and Historical Collections*, XXIV, 686. See also "Memorandum from Lord Grenville," *ibid.*, p. 90. Lord Grenville had become secretary of state for home affairs.

might be held, though his real interests were concerned with the fur trade.²¹

The war clouds disappeared, however, and no further steps were taken looking to the evacuation of the posts. In September of 1790, Morris informed the Duke of Leeds,²² the foreign secretary, that in his opinion the retention of the posts would prevent the negotiation of any treaty, as it was quite generally believed that England was retaining them simply for the sake of the fur trade. There was also a widespread suspicion that the British were exerting a bad influence over the Indians of the Northwest, which added to the American distrust of their motives.²³ Morris's mission failed utterly to accomplish anything.

Meanwhile, there were serious developments upon the frontier. General Harmar's invasion of the Miami country in October of 1790 caused a sensation among those interested in the trade of the Great Lakes' region and was one of a series of events which had a marked influence upon the negotiations affecting the posts and the northwest fur trade. Though the campaign itself was inconclusive, it was apparent that an era of war and general disorder had begun which must necessarily have a very important effect upon the commerce of the region.²⁴ The merchants of Montreal pictured

²¹Letter of John Inglis, June 5, 1790, *Michigan Pioneer and Historical Collections*, XXIV, 92. It is interesting to note that later, certain of the British merchants themselves regarded the reason advanced by the ministry as a pretext. The courts of Virginia had refused to grant relief to English creditors until the posts should be evacuated and compensation rendered for the negroes alleged to have been carried off. The merchants accordingly applied to the British government for remuneration, arguing that their property had been sacrificed for the sake of the fur trade, which was protected by the western posts. If the retention of this trade was a national advantage, the nation should compensate them for their losses. Letter of Henry Glassford, July 29, 1794, *Public Record Office, Foreign Office*, class 5, vol. 7.

²²The Duke of Leeds had formerly been known as the Marquis of Carmarthen, who had become Pitt's secretary of state for foreign affairs in 1783. It is extremely important to recall that Carmarthen had in 1784 been informed of the problems involving the commerce of the Northwest which remained for settlement after the peace had been concluded.

²³Morris to Washington, September 18, 1790, *American State Papers, Foreign Relations*, I, 126.

²⁴It was in this campaign that the Indian village on the Maumee was burned, along with the traders' huts and a large quantity of corn. Winsor, *op. cit.*, p. 419.

the evil state of affairs to their London correspondents and requested that the latter meet and draw up a statement concerning the general situation, to be laid before the King.²⁵ They were of the opinion that nothing could save the Indians, together with their trade, unless the British government should either assist them in the event of another American invasion or mediate between them and their enemies. The merchants likewise lost no time in drawing up a memorial to Lord Dorchester, in which they called attention to what they regarded as the aggressions of the Americans and pointed out how they were threatening the fur trade of the upper country.²⁶ They urged the adoption of two measures to ensure the safety of their commerce: first, they requested that their trade should be uninterrupted for a period of five years in order to give them time to secure their property; and in the second place, they suggested that if at the end of that time it should be thought advisable to cede the posts, the Indian country might be regarded as neutral territory and remain free to British as well as American traders. This memorial was signed by the principal merchants of Montreal, including those interested in the trade to the far Northwest as well as those operating in the region dependent upon Detroit. On February 1, John Brickwood, a member of a London firm, transmitted to Grenville some correspondence from Canada bearing upon the subject of the disturbance in the Indian country and its effect upon the trade, while it appears that upon the following day a committee of merchants, accompanied by certain of their Canadian correspondents, waited upon Grenville and discussed the matter with him.²⁷

The British ministry was placed in a difficult position as a result of the outbreak of war between the Indians and the Americans. Grenville wrote to Dorchester on March 7, 1791, asking

²⁵Extracts from letters from Montreal, dated December 11, 1790, *Michigan Pioneer and Historical Collections*, XXIV, 159. It was pointed out that Messrs. Todd, Richardson, Robertson, and McTavish, Canadian merchants who were in London at the time, would be able to advise them concerning the fur trade.

²⁶Memorial of the Merchants of Montreal, December 28, 1790, *Michigan Pioneer and Historical Collections*, XXIV, 162.

²⁷Brickwood to Grenville, February 1, 1791, *Michigan Pioneer and Historical Collections*, XXIV, 171. The correspondence referred to was doubtless that which has been mentioned, dated Montreal, December 11, 1790.

for full information with regard to the situation and expressing the hope that it might be possible for Great Britain to mediate between the Americans and the tribes with which they were at war, and thus afford an opening for the settlement of the question of the frontier posts.²⁸ As time went on, there appeared to be no prospect of an early peace. The Americans spent the summer and autumn of 1791 preparing for another attempt to break the power of the Indians and the forebodings of the merchants increased. On August 10, Forsyth, Richardson, and Company and Todd, McGill, and Company, addressed a memorial to Sir John Johnson, in which they described the ruinous state of the Detroit trade and urged that measures be taken to persuade the savages to listen to reasonable terms of peace.²⁹ Those who were engaged in the fur trade were unanimous in desiring a settlement of the difficulties between the Americans and the Indians but their interests likewise demanded a peace which should leave the latter in possession of their hunting grounds. To this end, they hoped that Lord Dorchester might be able to mediate between the contending parties and effect the establishment of an Indian boundary, which should ensure the future prosperity of their trade. Thus, in these representations of the merchants we find more or less direct reference to the possibility of British mediation between the Americans and the Indians and the establishment of a neutral Indian state.

The ministry was no less anxious for peace in the Indian country than were the merchants themselves. In the autumn of 1791, George Hammond was sent to the United States as minister from Great Britain, and among other things, it was suggested that he might offer the mediation of the British government as a means of ending the strife between the Americans and the northwest tribes. His instructions on the subject of the posts were a little vague, but it would seem that some adjustment of the question might have been possible, if peace in the Indian country were restored.³⁰ The attitude of the ministry is further revealed in a letter of Henry Dundas, secretary of home affairs, to Dorchester,

²⁸Grenville to Dorchester, March 7, 1791, *Canadian Archives, series Q*, L, 16.

²⁹Forsyth, Richardson, and Company and Todd, McGill, and Company to Johnson, August 10, 1791, *Michigan Pioneer and Historical Collections*, XXIV, 305. Johnson was superintendent of Indian affairs.

³⁰Bemis, *op. cit.*, p. 92, 94, 115.

dated September 16, 1791.³¹ The latter was instructed to coöperate with Hammond by using his influence to persuade the Indians to listen to any reasonable terms which should ensure the peaceable possession of their hunting grounds. It was also considered desirable that the extent of the lands which they were to be allowed to occupy should be clearly defined. The point of view of the ministry is revealed in the following passage from the despatch of Dundas:

"Your Lordship's experience and knowledge of the British interests in America supersede the necessity of my enlarging upon these topics, but I cannot help adverting to the consideration of our trade with the northern and north-western parts of the Continent of America. If the Indians are either extirpated from their countries, or rendered insecure in the possession of them, our trade in that quarter, and which Your Lordship and the merchants of Montreal state to be so valuable, must be much injured, and the enjoyment of it rendered altogether precarious."

"The subject of the posts in dispute between this Country and America is unfortunately connected with what I have just adverted to."

The victory of the Indians over the army of General St. Clair on November 4, 1791, very materially altered the diplomatic aspect of affairs. They were greatly emboldened by their success and encouraged in their demand that they be allowed to occupy all the land north of the Ohio River and west of the Muskingum.³² Those who were interested in the fur trade believed that the time had arrived when the Indians might secure favorable peace terms from the United States.³³ The merchants of Montreal accordingly lost no time in endeavoring to turn the situation to their advantage. On December 9, they addressed a memorial to Lieutenant-governor Simcoe, in which they urged that the boundary established by the Treaty of 1783 be altered so as to conform to the southern boundaries of Canada as defined by the Quebec Act and also that the

³¹*Canadian Archives, Report*, 1890, p. 172.

³²Bassett, *Federalist System*, p. 64.

³³An unsigned letter from Niagara, dated November 24, 1791, reveals the attitude of those interested in the commerce of the Great Lakes' region. The writer tells the story of St. Clair's defeat and adds that he has just written to Mr. Askin, requesting him to join the traders in urging the Indians to be moderate. He hopes that through the mediation of the British government, and the influence of the traders, peace may be brought about and that an opportunity may arise to alter the terms of the Treaty of 1783. *Public Record Office, Foreign Office*, class 4, vol. 11.

British garrisons be retained at Niagara and Oswego. In case so radical a change in the boundary could not be obtained, certain alternative lines were proposed. Simcoe sent this memorial to Hammond, in the hope that it might be of some service in the negotiations which were in progress at Philadelphia.³⁴

The rout of St. Clair's force did not tend to facilitate the negotiation between Jefferson and Hammond, which had already been in progress for some little time, inasmuch as the incident served to convince the Americans more firmly than ever that the Indians were receiving encouragement and assistance from the British. Jefferson made the charge again and again but to all his accusations Hammond made the most vigorous and sweeping denial. The very fact that the British were endeavoring through diplomatic channels to attain the same ends which the Indians were seeking by force of arms, made it inevitable that such a situation should arise. The British government vigorously denied ever having incited the Indians to hostilities against the Americans and the correspondence goes to prove that its official attitude was one of neutrality.³⁵ The British, it is true, did furnish the savages with guns and ammunition, but they gave the plausible explanation that they were simply continuing a practice which had been followed in time of peace.³⁶ There was nevertheless a strong feeling of sympathy based on community of interests between the British and the Indians, which was the source of a great deal of moral support to the latter, and which served to convince the Americans that the British were rendering much greater and more direct assistance than was actually the case. Grenville stated the attitude of the ministry in part when he said that England had

³⁴Memorial of the Merchants of Montreal, December 9, 1791, *Michigan Pioneer and Historical Collections*, XXIV, 338; McGill to Askin, January 24, 1792, *Burton Manuscript Collection*, II, 43.

³⁵Grenville to Hammond, September 1, 1791, *Public Record Office, Foreign Office*, class 4, vol. 11; Hammond to Jefferson, December 14, 1791, *State Department, British Legation Notes*; (same to same), January 30, 1792, *ibid.*; McLaughlin, "The Western Posts and the British Debts," *American Historical Association, Report*, 1894, p. 439. Dorchester's speech to the Indians in 1794, and Simcoe's action in building a fort on the Maumee in the same year, were clearly unneutral, however.

³⁶Hamilton to Sydney, August 29, 1785, *Canadian Archives, series Q*, XXV, 151; Chew to McKee, May 1, 1792, *Claus Papers*, V, 9.

strong political and commercial interests in the restoration of peace in the Indian country.³⁷

The extent to which the traders were responsible for the situation northwest of the Ohio is another matter. American officers repeatedly charged them with inciting the Indians to war and strong representations were made to the British authorities on the subject.³⁸ The more influential merchants, living at Montreal and Detroit, were strongly desirous of peace, and their attitude strongly influenced that of the ministry. There were on the other hand irresponsible traders in the region south of Detroit who were the source of much mischief among the savages. Even Simcoe admitted the fact, for in a letter to Portland, after pointing out that no official encouragement had been given the Indians, he ended by saying, "At the same time Your Grace must be convinced that the different *Traders* from interest would make use of that language which would best conciliate the favour of the Indians; and that the *British Officers*, not immediately intrusted with particular duties in respect to those people, could not be at all times prevented from expressing in strong terms, that Compassion which in this Province is universally felt for these unhappy nations."³⁹ Many of the traders were a sordid lot and acted solely in accordance with their own interests, without special reference either to considerations of hostility toward the United States or of loyalty to Great Britain. It is not surprising that they incited the Indians against the Americans when they believed it to be to their interest to do so. In 1795, they even supplied Wayne's army with goods, greatly to the chagrin of British officers, and in defiance of a proclamation by Simcoe forbidding the practice.⁴⁰ The United States undoubtedly had just ground for complaint against these irresponsible and venal traders.

³⁷Grenville to Hammond, September 1, 1791, *Public Record Office, Foreign Office*, class 4, vol. 11.

³⁸Harmar to Secretary of War, July 7, 1787, Smith, *St. Clair Papers*, II, 26; St. Clair to Murray, September 19, 1790, *ibid.*, p. 187; St. Clair to the Secretary of War, November 26, 1790, *ibid.*, p. 194; War Department to St. Clair, May 19, 1791, *American State Papers, Indian Affairs*, I, 176.

³⁹Simcoe to Portland, December 22, 1794, *Michigan Pioneer and Historical Collections*, XXV, 74. The Duke of Portland was home secretary from 1794 to 1801.

⁴⁰Simcoe to Portland, March 17, 1795, *Simcoe Papers*, IV, 104.

The negotiations between Hammond and Jefferson went on, meanwhile. The British envoy also kept in rather close touch with Hamilton, who was secretary of the treasury and probably the most influential person in Washington's administration. Hamilton expressed the opinion, in conversation with Hammond, that the United States would not be likely to yield any of the territory ceded by the Treaty of Peace, as a means of settling the problem of the frontier. He did believe, however, that if the posts were given up, it might be possible to secure for British subjects such commercial privileges as should enable them to continue to carry on the fur trade as before.⁴¹ The ministry, on the other hand, seemed determined to press the diplomatic advantage which it saw in St. Clair's defeat and on March 17, Hammond was instructed to suggest to the American government the establishment of an independent Indian barrier, from which both Great Britain and the United States should withdraw all claim.⁴² Lord Dorchester, who was then in London, was asked to submit his views with regard to the proper extent of such a barrier, in the formulation of which he was to bear in mind three objects: the welfare of the Indian trade, the interposition of the proposed barrier along the whole extent of the American frontier, and the protection of those parts of Canada most open to military attack from the Americans. In his reply, Dorchester recommended that the southern boundary of the proposed barrier territory should follow the line proposed by Brant in the summer of 1791, which would reserve to the Indians the territory north of the Ohio and west of the Muskingum and bounded on the north and west by the Great Lakes and the Mississippi. He believed that the establishment of such a buffer state would ensure peace between the Indians and the Americans, remove every cause of dispute between the United States and Great Britain, and establish the fur trade of the two countries on a fair and equal footing.⁴³

⁴¹Hammond to Grenville, January 9, 1792, *Public Record Office, Foreign Office*, class 4, vol. 14.

⁴²Grenville to Hammond, March 17, 1792, *ibid.* For a full discussion of the Indian barrier project, see Bemis, *op. cit.*, chap. IV, and Orpha E. Leavitt, "British Policy on the Canadian Frontier, 1782-92," in *Wisconsin Historical Society, Proceedings*, 1915, pp. 151-185.

⁴³Dundas to Dorchester, March 15, 1792, *Canadian Archives, series Q*, LVIII-1, 59; Dorchester to Dundas, March 23, 1792, *Michigan Pioneer and Historical Collections*, XXIV, 386.

The Canadian merchants were not idle, as may readily be supposed. William Robertson, of Detroit, and Isaac Todd, of the firm of Todd, McGill, and Company, were in London at the time and conferred with Dundas's secretary with regard to the proposed Indian barrier, though they were apparently able to secure little information concerning the intentions of the ministry.⁴⁴ On April 23, McTavish, Frobisher, and Company; Forsyth, Richardson, and Company; and Todd, McGill, and Company, addressed a second memorial to Lieutenant-governor Simcoe, which they requested him to transmit to Hammond at Philadelphia, as well as to the British ministry. They strongly recommended the alteration of the boundary established by the Treaty of 1783, and if necessary to secure such a change, they were even willing that Great Britain should offer the Americans reciprocal trading privileges on her own territory. If the United States rejected such a proposal, it would still be worth while if a settlement might be reached on the basis of allowing the traders of both countries free access to the Indian country. The Canadian merchants possessed capital, experience, and the friendship of the Indians, a combination which would give them a tremendous advantage over possible American competition. It was desirable that free communication with the Mississippi be assured the Canadian merchants, in order to enable them to carry on their trade in Spanish territory west of the Mississippi, and it was absolutely essential that Grand Portage should either be surrendered to the British, or declared an open highway, free to the traders of both countries. The merchants argued further that they had a right to trade within American territory, even without any formal stipulation to that effect, for they contended that the Treaty of Utrecht allowed free commercial intercourse with the Indians to both the English and the French. Since the British now occupied the position represented by the French at the time of the treaty, they had a right to all of the privileges to which the latter had been entitled.⁴⁵

Thus it will be apparent that Great Britain stood committed to the principles of mediation between the Indians and the

⁴⁴Robertson to Askin, March 26, 1792, *Burton Manuscript Collection* II, 46.

⁴⁵Memorial of Merchants of Montreal, April 23, 1792, *Michigan Pioneer and Historical Collections*, XXIV, 402.

Americans, and the establishment of a neutral Indian barrier state, to be erected from territory ceded to the United States by the Treaty of 1783. The military situation in the Northwest afforded considerable basis for the hope that both objects might be realized. Meanwhile, a third proposal was put forward, no less intimately connected with the fur trade than the two which have just been described. Article two of the Treaty of Peace, describing one portion of the boundary of the United States, said that it should extend from the most northwestern point of the Lake of the Woods "on a due west course to the river Mississippi." The source of the Mississippi, however, lies a considerable distance south of a line drawn west from the Lake of the Woods, and it became evident that some readjustment would ultimately be necessary. Hammond accordingly suggested that the boundary line be altered so as to extend British territory southward to the navigable waters of the Mississippi, reënforcing his position by arguments based upon that portion of the treaty guaranteeing to Great Britain freedom of navigation of the Mississippi.⁴⁶ Incidentally, such a change would have brought Grand Portage under the British flag, the loss of which had occasioned such chagrin to the Canadian merchants. If Great Britain had been able to secure all of these objects, she would have had an iron grip on the whole Northwest and its fur trade. It should be noted that both British and Canadian merchants supported these projects on every possible occasion. Hammond's efforts were without avail, however. The United States government emphatically refused to consider any proposal which involved the yielding of territory, in one guise or another. It was likewise impossible to consider the acceptance of any offer of mediation in the face of a victorious Indian foe.⁴⁷ The only remaining hope for the British was that the United States might meet further disaster in the Indian country. On the other hand, the discussions did reveal that if Great Britain were to evacuate the posts, the United States would probably be willing to make valuable concessions relative to the fur trade.⁴⁸ This attitude is of considerable

⁴⁶This is fully discussed in Bemis, "Jay's Treaty and the Northwest Boundary Gap," *American Historical Review*, XXVII, 465-484.

⁴⁷Hammond to Grenville, June 8, 1792, *Public Record Office, Foreign Office*, class 4, vol. 15; (same to same), June 13, 1792, *ibid.*

⁴⁸Hammond to Grenville, July 3, 1792, *Public Record Office, Foreign Office*, class 4, vol. 16.

importance as it later became the formula on the basis of which a settlement was reached.

While the negotiations at Philadelphia were going forward, the United States had been organizing another expedition to avenge St. Clair's defeat and break the power of the northwest Indians once and for all. General Anthony Wayne was placed in command of the American force and recruiting and drilling proceeded during the greater part of 1792 and 1793.⁴⁹ At the same time, efforts were being made to reach an amicable settlement with the tribes beyond the Ohio. These efforts culminated in a council held at Sandusky in the summer of 1793, which was attended by three commissioners whom Washington had appointed on behalf of the United States. The Indians demanded the Ohio as a boundary between themselves and the white settlers, and the council broke up without any agreement having been reached. On August 16, the commissioners left Detroit, at once informing Wayne of the failure of the negotiations and it was clear that war was inevitable.⁵⁰ The progress of the dispute was watched with considerable interest by those engaged in the fur trade as is evidenced by certain letters of John Richardson, in which he mentions the negotiations at the mouth of the Detroit River and expresses the belief that the Indians will not make peace unless the Ohio is given them as a boundary.⁵¹

Military preparations on the American side were carried actively forward during the winter of 1793-1794. The British, however, professed to see in Wayne's movements a menace to Detroit, and on February 17, Dorchester ordered Simcoe to occupy a position at the rapids of the Maumee in order to cover that post. A week earlier he had spoken to a delegation of Indians visiting Quebec, and had hinted that Great Britain and the United States would probably soon be at war, in which event the Indians would have an opportunity to secure a satisfactory boundary. The building of a fort upon the Maumee and Dorchester's ill advised speech to the Indians came very near leading to hostilities between the United States and Great Britain. The ministry later disavowed the Governor's speech, however, which eased the situation

⁴⁹Winsor, *op. cit.*, p. 451.

⁵⁰*Ibid.*, pp. 446-451.

⁵¹Richardson to Porteous, August 15, September 1, 1793, Canadian Archives, series M, 852.

somewhat.⁵² Dorchester and Simcoe ardently desired Wayne's defeat in the impending struggle, believing that such an outcome might yet result in the establishment of an Indian barrier south of the Great Lakes and thus ensure a continuation of British political ascendancy over the Indians in that quarter and preserve a monopoly of the fur trade. Their hopes were in vain, however, for on August 18, 1794, General Wayne met a band of thirteen hundred Indians and decisively defeated them at the Battle of Fallen Timbers.⁵³ The power of the tribes northwest of the Ohio was broken.

While Wayne was carrying his military campaign to a triumphant conclusion, John Jay was in London conducting negotiations which were to result in a settlement of the questions left open by the Treaty of Peace and determine the political and commercial status of the Northwest. Jay's instructions contain little that will assist one in tracing the course of the negotiations, in so far as they relate to the posts and the fur trade.⁵⁴ He was to settle, if possible, all outstanding differences connected with the Treaty of Peace, the matter of the posts and the controversy relating to the British debts being specifically mentioned. One passage from his instructions is worth quoting, however, as it states very clearly the official attitude of the United States with reference to the British policy in the Northwest:

"In this negotiation as to the treaty of peace, we have been amused by transferring the discussions concerning its inexecution and infractions from one side of the Atlantic to the other. In the mean time, one of the consequences of holding the posts has been much bloodshed on our frontiers by the Indians, and much expense. The British Government having denied their abetting of the Indians, we must of course acquit them. But we have satisfactory proofs, (some of which, however, cannot, as you will discover, be well used in public) that British agents are guilty of stirring up, and assisting with arms, ammunition, and warlike implements, the different tribes of Indians against us. It is incumbent upon that Government to restrain those agents; or the forbearance to restrain them cannot be interpreted otherwise than as a determination to countenance them."

⁵²Bemis, *op. cit.*, p. 175, 176, 234.

⁵³Bassett, *op. cit.*, p. 67.

⁵⁴Randolph to Jay, May 6, 1794, *American State Papers, Foreign Relations*, I, 472.

Early in the negotiations, Jay and Grenville agreed that for the time being there should be no change in the status of the frontier, news of which arrangement considerably relieved the tension existing in America.⁵⁵

The provisions of Jay's Treaty relating to the posts and the fur trade were the result of conditions and points of view which have been discussed at length in this and preceding chapters. Grenville's position during the negotiations is set forth in a document entitled "Project of Heads of Proposals to be made to Mr. Jay."⁵⁶ The posts to the southward of the lakes were to be delivered up to the Americans, subject to certain conditions, which were essentially the same as those which had been repeatedly embodied in the memorials and petitions of the merchants. It has already been indicated that the attitude of the United States was favorable to the granting of commercial concessions, providing the posts were given up. Article two,⁵⁷ as finally agreed upon, provided that the frontier posts should be evacuated on or before June 1, 1796, and that all settlers and traders living within the jurisdiction of the posts should continue to enjoy full rights in their property. Those residing within the boundaries of the United States might either retain their British citizenship or become subjects of the United States, being allowed a year in which to make their choice. At the end of that time, those who had not declared their intention of remaining British subjects were to be considered as having elected to become citizens of the United States.

The third article provided that both British and American subjects, as well as Indians living on either side of the boundary, should be free to carry on trade both in the United States and Canada and should be allowed free navigation of the lakes and rivers on either side of the boundary.⁵⁸ The navigation of the Mississippi was to be open to both parties to the treaty, and its eastern banks were to be free to both British and American

⁵⁵Bemis, *op. cit.*, p. 234.

⁵⁶*Ibid.*, Appendix II.

⁵⁷For the text of the treaty, see Malloy, *Treaties and Conventions*, I, 590-606.

⁵⁸The territory of the Hudson's Bay Company was excluded from this arrangement.

traders.⁵⁹ It was stipulated that all merchandise, the importation of which into Canada was not entirely prohibited, might be carried for commercial use into British territory by citizens of the United States, without paying any higher duties than were demanded of British subjects on the importation of similar goods from Europe. A similar concession was granted by the United States. No duties of entry might be levied on peltries carried by land or inland navigation into the territory of either Canada or the United States, while Indians passing and repassing across the boundary should not be compelled to pay any duties whatsoever on goods of their own. Moreover, the carrying places on either side the boundary were to be free to the traders of both countries.

The fourth article provided that there should be a joint survey of the Mississippi, from a point one degree below the falls of St. Anthony, to its source, and that if any change in the boundary as defined by the Treaty of 1783 were found to be necessary, the matter should be adjusted by friendly negotiation. This boundary question had occasioned considerable discussion between Jay and Grenville. Like Hammond in the negotiations two years before, Grenville maintained that the right to navigate the Mississippi, guaranteed by the Treaty of 1783, implied free access to the stream without the necessity of passing through foreign territory. In spite of Jay's denial of this claim, Grenville proposed two possible alterations in the boundary west of Lake Superior, either of which would have involved the cession of territory by the United States and placed Grand Portage under the British flag. Jay, like his predecessors in 1792, refused to consider any proposal which involved a cession of territory by the United States.⁶⁰

The treaty was signed on November 19, 1794, and there ensued a nation-wide debate in the United States which lasted for more than a year. The bitter strife which the terms of the treaty aroused is a familiar story and attention will be confined to those articles which directly or indirectly affected the Indian trade. Before the treaty was signed, the administration at Philadelphia

⁵⁹The British regarded the communication with the Mississippi as very important because of the extensive trade carried on within Spanish territory.

⁶⁰Bemis, *op. cit.*, pp. 474-477; memorandum to Lord Grenville and Grenville's reply, enclosed in Jay to Randolph, September 13, 1794, *American State Papers, Foreign Relations*, I, 490-492; Jay to Randolph, September 18, 1794, *ibid.*, p. 503.

expressed its disapproval of the date set for the evacuation of the posts, namely, June 1, 1796. It was feared that if their surrender were delayed for so long, the British would employ themselves during the interval in securing an ascendancy over the Indians and in making preparations to counteract American competition in the fur trade. Washington had desired that June, 1795, might be the time set, for he was convinced that so long as the British held Detroit, there could be no peace with the Indians.⁶¹ Jay as a matter of fact had suggested the earlier date during the course of the negotiations, but Grenville had insisted upon a year's delay, which Jay felt obliged to grant.⁶² He transmitted to Randolph the reasons which Grenville gave for this demand and it is interesting to note that they are identical with those which had been advanced by the London merchants in 1783, eleven years before, when urging a similar delay. The goods of the traders were scattered throughout the Indian country and the merchants must be assured the protection of their own government until their affairs were settled. It was uncertain, moreover, what attitude the Indians might take and since the United States might not be able to protect the traders, due to the state of war in the Northwest, it was desirable that the evacuation of the posts should be delayed.⁶³

The third article, providing for reciprocal trading privileges in the Indian country, caused much discussion. Washington regarded it with little favor, fearing that since British merchants already enjoyed the trade and friendship of the Indians, they would do all in their power to keep the Americans out of Canadian territory and disputes might arise which would result seriously. He also feared lest the desire of foreign merchants to continue to monopolize the trade might lead to difficulties on the American side of the boundary. Washington would have preferred a provision confining the merchants of the two countries to their respective sides of the line, allowing the Indians to go wherever they pleased.⁶⁴ Hamilton, on the other hand, who had been in close

⁶¹Randolph to Jay, November 12, 1794, *ibid.*, p. 501; (same to same), December 3 and 15, 1794, *ibid.*, p. 509.

⁶²Bemis, *op. cit.*, p. 237.

⁶³Jay to Randolph, November 19, 1794, *American State Papers, Foreign Relations*, vol. I, 503.

⁶⁴Washington to Hamilton, July 13, 1795, Ford, *George Washington's Writings*, XIII, 63-66.

touch with events leading up to the treaty, professed to regard the article dealing with the Indian trade as being favorable to the United States. While the American fur trade was relatively unimportant, that on the British side of the line, to which the Americans were given access, was of great value. Some persons, he said, were of the opinion that there were advantages on the side of the merchants of the United States which would enable them to carry their competition into British territory with success.⁶⁵ It would seem that Hamilton, like Shelburne in 1783, was more concerned with other things than the prosperity of the fur trade. There is little doubt that with regard to this matter, Jay had secured the best terms possible. On the very day on which the treaty was signed, he said in a despatch to Randolph: "A continuance of trade with the Indians was a decided ultimatum; much time and paper, and many conferences were employed in producing this article; that part of it which respects the ports and places on the eastern side of the Mississippi, if considered in connection with the ——— article in the treaty of peace, and with the article in this treaty which directs a survey of that river to be made, will, I think, appear unexceptionable."⁶⁶

During the latter part of April, 1795, the Jay Treaty was discussed from beginning to end in the House of Representatives, the debate arising over the question of carrying its provisions into effect. The arguments advanced are of some interest, although it is difficult to determine the extent to which they may have been affected by political considerations. The article containing the stipulation for reciprocal trading privileges was attacked on the ground that it would enable the British to retain their influence over the Indians within the territory of the United States. Opponents of the treaty contended that while formerly the commercial interests of the British had led them to desire peace, they would henceforth have a motive for inciting the Indians to war in order to keep out American traders.⁶⁷ The intercourse allowed to the merchants of both countries was also objected to on the ground that the superior capital of the British would enable

⁶⁵Hamilton to Washington, July 9, 1795, Lodge, *Alexander Hamilton's Works*, IV, 325.

⁶⁶*American State Papers, Foreign Relations*, I, 503.

⁶⁷*Annals of Congress*, 4 Cong., 1 sess., 979, 1007, 1029, 1195.

them to drive their American competitors out of the field. It was still further urged that freeing the trade from all imposts with the exception of the so-called "native duties" would likewise give an advantage to the British merchants owing to the fact that goods imported into Canada paid little or no duty.⁶⁸ Those who supported the treaty on the other hand emphasized the valuable trade lying within British territory which was thrown open to American merchants. They were certain that sufficient capital could be obtained to carry on effective competition with foreign traders, and as for American merchants, were they not as enterprising as their rivals?⁶⁹ It was also asserted that the Albany communication with the Great Lakes was much superior to that by way of the St. Lawrence River, a circumstance which would redound to the advantage of the Americans. In support of this argument, attention was called to the diligence with which the British had guarded the Albany communication by means of the garrison at Oswego.⁷⁰

It will be interesting to note how the provisions of article three were regarded by the commercial interests of Canada. There can be no question but that those who were engaged in the fur trade regretted the necessity for transferring the lake posts to an alien flag. At the same time, they were confident of their ability to withstand American competition even though the posts were surrendered. There is a copy of a memoir drawn up by Isaac Todd and Simon McTavish, probably in the year 1794, and presented to someone in the ministry, which clearly reflects the attitude of the merchants.⁷¹ The paper contains reference to an earlier memorandum presented to a General Clarke, which set forth certain provisions which should be put into effect if the posts were given up. The memoir continues as follows:

"At the same time We suggested the propriety of the United States allowing our Traders a free intercourse of Trade, in common with their own people, into the Country belonging to the Indians on their side the line—

"In consequence of the conversation we have since had with the General on the same subject, when he asked in case the United

⁶⁸*Ibid.*, p. 979, 1029.

⁶⁹*Ibid.*, pp. 1053, 1071.

⁷⁰*Ibid.*, p. 1095-1097.

⁷¹*Canadian Archives Transcripts, Chatham Manuscripts, CCCXLVI, 1782-1805.* This document is also reprinted in Davidson, *North West Company*, Appendix H.

States should demand the same liberty for their Traders to traffick with the Indians within the British Lines, how it would affect the Interest of the Provinces of Canada? We are of Opinion that such an Arrangement would not prove in the least injurious to them— As the expense of transport from the United States to the Indian Country where the Trade is carried on, is nearly double what it is by the River St. Laurence, & the heavy impost Duties they have laid on all Articles of European Manufacture required for the Trade, gives such a decided Advantage as must prevent any considerable Competition— Nor are we apprehensive that a more frequent intercourse between the people of the United States & the Canadians can have any evil tendency in a political point of view, as the more the latter have the opportunity to compare situations with their Neighbours, the more attach'd they must be to the British Government under which they enjoy all the liberty they can wish for, without paying any Taxes—”

An incident occurred, trivial in itself, which reveals the dogged persistence with which the British government defended the fur trading interests. On August 3, 1795, General Wayne concluded the Treaty of Greenville with the northwest tribes. The eighth article provided that all persons trading with or residing among the Indians who were parties to the treaty must have licenses procured from the proper United States authorities.⁷² The British ministry took exception to the article on the ground that it was in violation of that portion of Jay's Treaty which guaranteed to British merchants free participation in the Indian trade, and Grenville instructed Phineas Bond, who was then representing Great Britain in the United States, to demand an explanation from the American government. Lord Dorchester was informed that all arrangements looking toward the evacuation of the posts must be provisional, until the matter should be adjusted.⁷³ The difficulty was easily settled, however, and on May 4, 1796, an explanatory article was concluded, which declared that no provision in any subsequent treaty should be regarded as impairing the commercial privileges granted to the subjects of both Great Britain and the United States by the treaty of 1794.⁷⁴ The principal posts were

⁷²*American State Papers, Indian Affairs*, I, 563.

⁷³Report of the Privy Council, January 14, 1796, *Public Record Office, Foreign Office*, class 5, vol. 16; Grenville to Bond, January 18, 1796, *Simcoe Papers*, V, 5; Portland to Dorchester, January 15, 1796, *Canadian Archives, Report*, 1891, Calendar State Papers—Lower Canada, 121.

⁷⁴Malloy, *op. cit.*, pp. 607-609.

evacuated in the summer and autumn of 1796 and American garrisons took formal possession. Thus ended the long diplomatic contest which had its beginning in the negotiations preceding the Treaty of 1783.

Jay's Treaty effected a settlement of those questions involving the northwest fur trade which had been discussed at Paris in 1783, but which had been left to some future commercial agreement. It is difficult to determine what was the conscious purpose of the responsible British ministers with regard to the northwest posts during the interval from 1783 to 1794. Even a cursory study of English diplomacy in other years would lead one to suspect that perhaps they had none. At any rate, the policy actually followed was one of procrastination and delay. The merchants of London and Canada, on the other hand, knew precisely what they wanted and at critical moments, when the question of the posts arose, they made vigorous representations to the ministry. Meanwhile they were tirelessly at work, strengthening their commercial foothold in the Great Lakes' region and pushing their trade beyond the Mississippi and into the remote Northwest. Whatever may have been the secret intentions of the British ministers at any given time, it is certain that from 1783 on, there was never the remotest possibility that the posts would be given up, until an agreement concerning the commercial status of the Northwest should have been reached. The ministry of Pitt in 1794 took precisely the same attitude as had that of North and Fox in 1783. The reasons given to the government of the United States for the failure to evacuate the posts were merely pretexts, to serve until Great Britain should be prepared to enter into a general commercial treaty, or until some other adjustment might be possible. It is more difficult to pronounce judgment concerning a negative policy of inaction than one which is vigorous and aggressive, and probably there is no occasion for attempting to do so. The point of interest here is that the British policy with respect to the problem of the Northwest was strongly influenced by the merchants of London and Canada. History affords few clearer instances of a close relation between diplomacy and big business. The occupation of the frontier posts enabled the fur trading interests to strengthen their hold on the commerce of the upper country, and as a result the influence of British merchants and traders continued to be dominant in that region until after the War of 1812.

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Askin Papers. This material had not been arranged and classified when the present study was undertaken. It is very similar in character to that contained in the Burton Collection at Detroit.

Claus Papers. Series M, vols. 104-115. Papers of Colonel Daniel Claus, Colonel William Claus, and Colonel Alexander McKee, deputy superintendents of Indian affairs. They contain a mass of material relating to Indian politics, with frequent references to the fur trade. The volumes of the Claus Papers, taken by themselves, are also numbered separately from 1 to 12.

Colonial Office Papers. (Including series Q.) Transcripts from originals in the Public Record Office. The papers in class 42, relating to Canada, are particularly valuable, including correspondence of the governors, lieutenant-governors and other Canadian officials, with the Colonial Office, together with numerous enclosures. A great many of these papers relate to the fur trade. The first 23 volumes of these transcripts are cited as "C.O. 42," followed in each case by the number of the volume. Beginning with volume 24, the transcripts are designated as Series Q, followed by the number of the volume in the series. Many of the Colonial Office papers are published in the *Canadian Archives, Reports*, and in the *Michigan Pioneer and Historical Collections*.

Governor General's Papers. Series G. Contain little for the history of the fur trade during the period under consideration.

Haldimand Papers. Series B, 248 vols. Transcripts of originals in the British Museum. These documents are calendared in the *Canadian Archives, Reports*, while many of them are printed in the *Michigan Pioneer and Historical Collections*. A mine of material relating to the administration of the Great Lakes' region and the regulation of the fur trade. Referred to in footnotes as "series B."

Indian Affairs, Department of. Contains a large number of portfolios of original documents from the Indian Department of Canada, covering the entire period of the present study. The collection includes many memorials, petitions, etc., dealing with the fur trade, as well as returns of Indian trade licenses, which are listed separately in this bibliography.

Indian Trade Licenses, in papers of the Indian Department. These are duplicates of the licenses issued by the governor of Quebec and in the aggregate they contain much valuable data, including the names of the merchants to whom the licenses were issued, number of canoes and bateaux with their destinations, names of *engagés*, quantity of liquor and ammunition carried, value of cargo, and names of persons or firms giving security.

Indian Trade Licenses, Consolidated Returns, 1770-1790, inclusive, with the exception of the year 1784. Found in the papers of the Indian Department. These returns contain tabular summaries of the data found in the individual licenses.

Lansdowne Manuscripts. Transcripts of selected papers in the Lansdowne collection, which is now preserved in the William L. Clements Library, University of Michigan. Besides containing much general material relating to the fur trade, these papers are essential to a study of the Treaty of 1783.

Letter Book of Joseph Frobisher, 1787-1788. Transcripts of letters in the Redpath Library, McGill University. This correspondence relates to the formation of the house of McTavish, Frobisher, and Company and also to the history of the North-West Company.

Masson Collection. A part of this collection is preserved in the Canadian Archives, and the remainder at the Redpath Library, McGill University, with the exception of a journal of Simon Fraser, which is in the Toronto Public Reference Library. The collection includes a large number of journals and diaries kept by the *bourgeois* of the North-West Company, besides many miscellaneous papers. Much of this material has been published by L. R. Masson in his *Bourgeois de la Compagnie du Nord-Ouest*. In the editing of the journals, however, almost every principle of critical scholarship has been violated. The original collection is a storehouse of information, both with regard to the North-West Company and fur trade methods in general.

Military Papers. Series C. These are original papers and contain a great deal of material concerning the administration of the Northwest during the British régime.

Quebec Ordinances These ordinances are contained in manuscript volumes, there being one such volume for the period 1777-1786 and another covering the period 1768-1791. They have also been published in *Canadian Archives, Reports*, 1914-1915.

Correspondence of John Richardson, 1789-1799. Series M, 852. Copies of letters written by John Richardson, of the firm of Forsyth, Richardson, and Company, to John Porteous. There are occasional references to the fur trade in connection with political events. There are also a few letters for the year 1780.

Sketch of the Fur Trade of Canada, 1809. The Canadian Archives possesses a photostat from the original, which is in the Royal Colonial Institute. The document contains a brief sketch of the history and methods of the North-West Company, down to 1809. While it is anonymous, it contains one of the most penetrating contemporary accounts of the fur trade which is available.

Archives of the District of Montreal

King's Bench, Register of Common Pleas, Superior Term, 1789-1793. Contains summary of procedure relative to seizure of smuggled furs.

Notarial Records. These records include a very large number of *engagements* of *voyageurs* and clerks engaged in the fur trade. There are also many records of agreements between persons and companies engaged in the fur trade. The name of the notary is used in making citations, as for example, Beek, 1787, No. 254, "Beek" in this case being the name of the notary.

Public Record Office, London

Chatham Manuscripts. Use has been made of transcripts secured for the writer from the originals and also of transcripts in the Canadian Archives. The most important item in the collection is an account of a conversation between Richard Oswald and a group of London merchants, relating to the Treaty of 1783.

Colonial Office Papers. See description of transcripts from these papers contained in the Canadian Archives.

Foreign Office Papers. Series 4 and 5. This collection contains correspondence relating to the negotiation of the Treaty of 1783 and the diplomatic negotiations which culminated in Jay's Treaty.

Treasury Papers. Some of the in-letters contain material relating to the smuggling of furs from the Illinois country prior to the Revolution.

British Museum, London

Additional Manuscripts. A few scattered documents have been used, the character of which is indicated in the footnotes.

Department of State, Washington

Archives of the Department of State. Contain material relating to the controversy over the western posts and the matter of British relations with the northwest Indians.

Library of Congress

Transcripts relating to the Peace of 1783. This collection comprises thirty-seven boxes containing over 10,000 pages of transcripts from English and French archives. The task of selecting and copying the documents was performed by B. F. Stevens.

Library of Parliament, Ottawa

Simcoe Papers. Transcripts of a mass of correspondence relating to the history of Upper Canada, of which John Graves Simcoe became lieutenant-governor in 1791. There are frequent references to Indian affairs and the fur trade. The transcripts appear to have been poorly made, however.

Bibliothèque Saint-Sulpice, Montreal

Baby Manuscripts. These papers formerly belonged to Judge Baby, of Montreal. The material relating to the fur trade is contained in the Samuel Gerrard papers, which form a part of the collection. Of particular interest is a mass of business correspondence relating to the Montreal firm of Grant, Campion, and Company, which includes routine letters, accounts current, accounts sales, cargo invoices, drafts, etc. Another item, a portfolio containing minutes of the North-West Company, is of such importance that it has been listed separately.

Minutes of the North-West Company. This is the most important single item in that portion of the Baby Manuscripts relating to the fur trade. The minutes are contained in some eighty manuscript pages and record business transacted first at Grand Portage and later at Fort William, during the period from 1801 to 1808. This material has only recently become available and was not used by Davidson in his *North West Company*.

Redpath Library, McGill University

Masson Collection. A part of this collection is to be found in the Canadian Archives. See previous note, in which this material is described.

Toronto Public Reference Library

Dummer Powell Collection, Manuscripts. Volumes B 70, B 75, and B 94 have been used. B 75 contains documents relating to a suit brought by William Kay, a merchant of Montreal, against the firm of David McCrae and Company, of Michillimackinac, in 1787. There are a number of accounts and inventories which throw much light upon the economic aspects of the fur trade.

Letters and Accounts of the North-West Co. 1763-1787. These are transcripts of letters in the possession of Herman L. R. Edgar, of New York, together with accounts relating to the North-West Company, presented to the library by W. T. Jennings. The letters are written by Alexander Henry, Simon McTavish, and others, for the most part to William Edgar. They throw considerable light upon trade conditions at Detroit and Michillimackinac.

Burton Collection, Detroit Public Library

Askin Journals. A collection of day books, or "blotters," kept by John Askin, Sr., during the years which followed the Revolution. They are similar to those contained in the Canadian Archives.

Askin Letter Book, 1778. Contains copies of letters written by John Askin while a merchant at Michillimackinac.

Askin Papers. Volumes 1-18 and 455-457 of the Burton manuscripts. The volumes covering the period from 1766 to 1796 contain much extremely valuable material, including letters written to John Askin, Sr., by the Montreal firm of Todd & McGill, which later became Todd, McGill and Company.

Williams Papers. Volumes 19-25 of the Burton manuscripts. This material is very similar to that contained in the Askin Papers.

University of Illinois

Transcripts from Sir William Johnson Manuscripts. Transcripts of selected documents from the Johnson collection at Albany, made before the fire. These papers are indispensable to any study of the fur trade between 1763 and 1774.

Transcripts from Lansdowne Manuscripts. See note regarding transcripts from the same collection, in the Canadian Archives.

State Historical Society of Wisconsin

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VITA

The writer was born in Avon, Illinois, July 24, 1892. His preparatory work was done in the Avon High School, from which he graduated in 1909. The following four years were spent in Knox College, Galesburg, Illinois, the degree of bachelor of arts being received in 1913. During the year 1913-1914, he held a fellowship in history in the graduate school in the University of Illinois, receiving the degree of master of arts at the close of the period. During the two following academic years, he held a fellowship at the same institution. In the fall of 1915, two months were spent in Canada on leave of absence, which time was occupied in gathering material for the present study. The summers of 1914 and 1915 were spent in editorial work connected with the *Illinois Historical Collections*. The writer's publications are "The Shaw-Hansen Election Contest," in the *Journal of the Illinois Historical Society* for January, 1915; and a review of Wraxall's *Abridgment of the New York Indian Records*, in the *Mississippi Valley Historical Review* for March, 1916.

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